

U.S. Military Chief Says Navy Is Able To Guard Gulf Ships

WASHINGTON — Admiral William J. Crowe Jr., chairman of the Joint Chiefs of Staff, told the Senate Armed Services Committee on Friday that escorting Kuwaiti tankers through the Gulf would not be a high risk undertaking even though "there are no absolute guarantees that such an operation will be casualty free."

Admiral Crowe urged the lawmakers "not to be stampeded by overly dramatic accounts" of the Gulf war, adding that since the Iraqi attack on the U.S. frigate Stark the Iranians "appear to be even more cautious than previously."

He did not elaborate on Iran's caution before the committee went into closed session to discuss U.S. contingency plans for dealing with Iran's Silkworm anti-ship missile and other threats to vessels in the Gulf.

"The Joint Chiefs of Staff believe that we can carry out this mission of having U.S. Navy ships escort 11 Kuwaiti tankers through the Gulf," Admiral Crowe said. "Of course, there are no absolute guarantees that such an operation will be casualty free or that Iran will not escalate the sea war which will present us with further difficult choices."

"On the other hand," Admiral Crowe said, "we have the capability to keep the oil line to Kuwait open, to assure our Arab friends of our commitment and to keep the risks low."

Flanking Admiral Crowe at the witness table were the chiefs of the army, navy, air force and Marine Corps or their designated representatives.

Senator Sam Nunn, Democrat of Georgia, invited them to elaborate on Admiral Crowe's remarks. The senator said that Congress, in crafting the military reorganization act passed last year, wanted to make sure every service chief could speak his mind. None opted to go beyond Admiral Crowe's statement in the open session.

U.S. officials say Saudi pilots acted correctly during an Iraqi attack in the Gulf. Page 3.

Admiral Crowe's portrait of the Gulf as "a thriving and bustling commercial crossroads, not a man's land," contrasted with a series of senatorial warnings that the Reagan administration was plunging ahead with a risky operation.

Mr. Nunn said U.S. ships could be subjected to "fanatical attacks" by Iran, "increasing the possibility" that the United States would be drawn into the Iran-Iraq war.

"We must realize that risks have increased" in the Gulf and that Iran might resort to the same "suicide" attacks at sea that it has employed on land, said Senator John W. Warner, Republican of Virginia, who just returned from a tour of the Gulf region.

He added that President Ronald Reagan "has the duty to tell the people that we'll go it alone" in the Gulf if military retaliation is carried out.

Soviet-Kuwait Agreement
Jonathan C. Randall of The Washington Post reported from Kuwait: Moscow has secretly agreed to See GULF, Page 5

U.S. Reported to Weigh Raids on Iran Missiles

By George C. Wilson
WASHINGTON — The Reagan administration is debating whether to strike pre-emptively against Iran's anti-ship missiles if those weapons are deployed at the Strait of Hormuz, according to U.S. officials.

Officials said U.S. intelligence agencies estimate that the "Silkworm" HY-2 anti-ship missile could become operational as early as July 1.

The National Security Council has focused on the missile issue,

sources said, with options under discussion ranging from a pre-emptive strike against the HY-2 missile to waiting until a ship flying the U.S. flag is actually threatened by the weapon.

"The Silkworm military threat is one of the chief concerns we have," said Senator Sam Nunn, Democrat of Georgia and chairman of the Senate Armed Services Committee, after Admiral William J. Crowe Jr., chairman of the Joint Chiefs of Staff, testified Friday at a closed hearing before the committee.

In regard to the advisability of the United States launching a pre-emptive strike if the shore-based Silkworm is deployed, Mr. Nunn said:

"We should not be declaring our intentions one way or the other. It seems to me the Iranians would certainly be increasing the threat to the region and to free transportation if they deploy those Silkworms in the area of the Strait" of Hormuz.

The missile has been test-fired from the island of Qeshm into the Strait of Hormuz but has not yet been deployed.

A lack of key parts has prevented the Iranians from putting the Chinese-made missiles into service, sources said. But the parts recently arrived in Iran from China, they said, making it only a matter of time.

See MISSILES, Page 5

Klosk French to Expel Terror Suspects

PARIS (Reuters) — French officials will expel 23 of the 57 persons held in police raids this week. Those arrested were suspected of involvement with militant Middle East groups, Interior Ministry sources said Friday.

The French authorities were said to be seeking countries willing to accept the 23, who are of Iranian, Moroccan, Algerian and Lebanese origin. The remaining 34 will probably be released, the sources said.

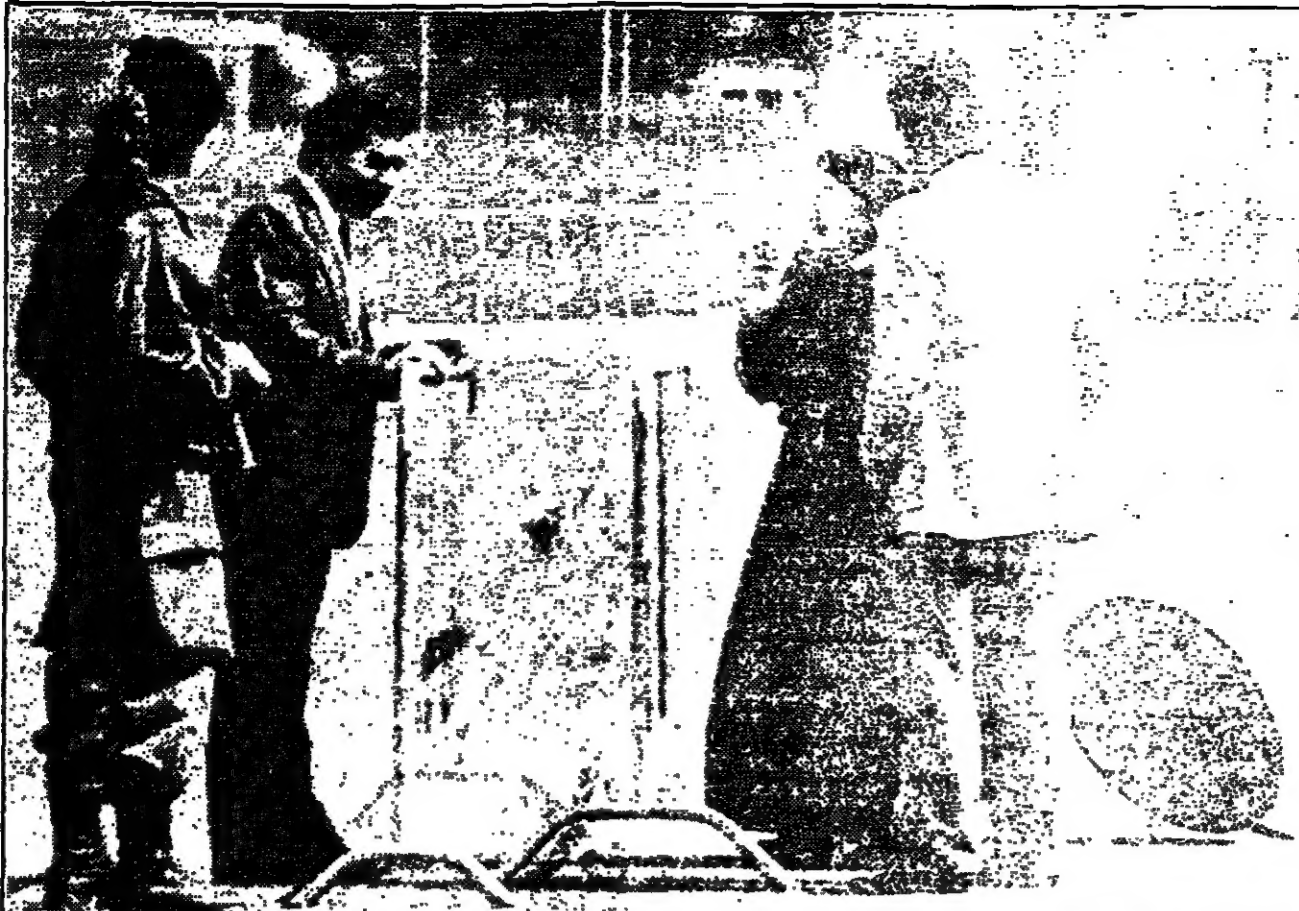


Ivan Lendl advanced to the final of the French Open, where he will meet Mats Wilander. Page 13.

GENERAL NEWS
■ Canada announced an ambitious military buildup, including acquisition of from 10 to 12 nuclear submarines. Page 5.
■ India's shift to Sri Lanka has come under criticism across the subcontinent. Page 2.
■ PTL and Wedtech scandals converge in donations to an East Bronx church. Page 3.

ARTS/LEISURE
■ Soren Melikian reports how the Japanese have invaded the art market. Page 6.

Dow close: DOWN 10.93
The dollar in New York:
DM £ Yen FF
1.819 1.6295 143.95 6.081



A man speaking with U.S. and Italian security guards Friday outside the Villa Condulmer, where Ronald Reagan is staying.

In Venice, Reagan Seeks Leadership Image

By Lou Cannon
Washington Post Service

VENICE — President Ronald Reagan will try to rescue his reputation for leadership at home by showing at the summit meeting here that he can still function as an effective performer on the world stage, according to White House officials.

"It's not morning anymore, but it's not the twilight of the Reagan presidency either," said a White House official. His reference was to Mr. Reagan's 1984 campaign slogan, "It's morning again in America."

While the official acknowledged that Mr. Reagan had been damaged by a series of events, especially the Iran-contra affair and the loss of the Senate to the Democrats last year, he contended that the president could still seize the initiative on arms control and other issues during the final 18 months of his term.

But some officials say privately that they doubt Mr. Reagan can do more than simply survive. They are

worried that the 76-year-old president may be slowing down and that the economy may be cooling off after a long period of prosperity.

"There's no juice anymore," said an official in Venice on Thursday, reflecting on the lack of administration initiatives on a trip expected to be the last European visit of the Reagan presidency. Mr. Reagan's nine-day European trip centers on the 13th economic summit meeting of the seven leading industrialized democracies, which opens here Monday.

Even Mr. Reagan, who is usually optimistic, has made few claims for what is shaping up as a summit meeting of low expectations.

In speeches and conversations with allied leaders, Mr. Reagan plans to speak out on subjects including AIDS and economic freedom. White House officials said he will give particular emphasis to arms control negotiations with the Soviet Union and to allied military cooperation to protect the flow of oil supplies through the Gulf.

Officials have cautioned report-

ers to expect few genuine accomplishments.

Mr. Reagan is bringing no new economic proposals. He had planned to celebrate the 40th anniversary of the Marshall Plan that rebuilt Europe with a speech in the historic Roman building where the European Community was born. However, the speech and Mr. Reagan's Italian state visit were scrapped after the Italian government collapsed.

White House officials privately acknowledged it was unlikely that either Britain, which was holding elections Thursday, or France would join in a cooperative effort to escort oil tankers through the Gulf. West Germany and Japan are prohibited from undertaking military roles by restrictions in their constitutions.

Both France and Britain now provide naval escorts for their own ships through the Gulf. Mr. Reagan has accepted a plan from the Joint Chiefs of Staff to beef up U.S. naval forces in the region and to use them to escort U.S.-registered

Kuwait tankers through the Gulf. After years of urging the allies not to sell arms to Iran, a project known as Operation Staunch, Reagan administration officials will be on the defensive at the Venice meeting because of his own Iran arms deal.

Reagan Speaks on Arms

Mr. Reagan said Friday in Italy that Washington and Moscow were See REAGAN, Page 5

Hakim, Secord Used Iran Fund, Hakim Testifies

Compiled in Our Staff From Dispatches

WASHINGTON — The business partner of Richard V. Secord testified Friday that the retired air force major general withdrew more than \$113,000 in Iran-contra funds for a Porsche sports car for his own use, a light plane and other items.

General Secord has said in sworn testimony that he took no profits in the secret U.S. sale of arms to Iran and diversion of proceeds to the Nicaraguan rebels, or contras.

But Albert Hakim, in his third day of testimony before the congressional committees investigating the affair, referred to the arms sales as a "business situation." He said the members of the enterprise, including General Secord, had tried to "maximize our profits" in the final arms sale.

Mr. Hakim said withdrawals totaling \$113,317 had been made by General Secord from bank accounts that included profits from the arms sales to Iran. It was Mr. Hakim who organized the financial details of the arms transactions.

Under questioning from a committee counsel, Arthur Liman, Mr. Hakim said that \$31,817 of the money went for the Porsche, and when asked if the car was for personal use, replied: "That is the right conclusion."

Mr. Hakim also confirmed that an additional \$52,000 was used to buy a Piper Seneca airplane for General Secord in October 1985.

The testimony also indicated that General Secord and Mr. Hakim used \$250,000 for investments proposed by General Secord, including interests in a machine gun

company, a food processing company and to make a timber deal.

Mr. Hakim said under questioning that he was not prepared to turn over to the U.S. Treasury \$8 million in profits from the arms sale that is still held in Swiss bank accounts.

"It's not a question of doing the heroic thing and passing an acid test," Mr. Hakim said. "It's a business situation and it should be treated as such."

Mr. Hakim also testified that because "we wanted to maximize our profits," the enterprise made a 40 percent profit on its last deal, worth \$2.1 million, in 1986.

In addition, the first detailed summary of arms sales to Adolfo Calero, a top Nicaraguan rebel leader, was released Friday. It showed that the network run by General Secord and Mr. Hakim sold arms to the contras at markups as high as 60 percent.

The documents included records of transactions in which the Hakim-Secord operation bought 81mm mortar carriers for \$28,500 each and sold them to Mr. Calero for \$48, and bought rifle ammunition at \$95 per thousand rounds, selling it at \$124.

General Secord has testified that he personally forswore any profits. But he has also said, in an interview, that there was a markup of between 20 percent and 30 percent for the company run by himself and Mr. Hakim because "this was a business, not a philanthropic undertaking."

He said he left the profits under Mr. Hakim's control because he was interested in returning to the U.S. government and did not want to be tainted by profiteering.

Mr. Hakim testified Wednesday and Thursday that even though General Secord told him last year that he wanted no profits, he held \$1.58 million for General Secord in a separate Swiss bank account because he doubted his partner would return to government.

Senator Warren B. Rudman, Republican of New Hampshire and vice chairman of the Senate panel investigating the affair, said of General Secord and other witnesses: "I always resent people who wrap themselves in the flag while spitting on the constitution. I think that's what's been going on here."

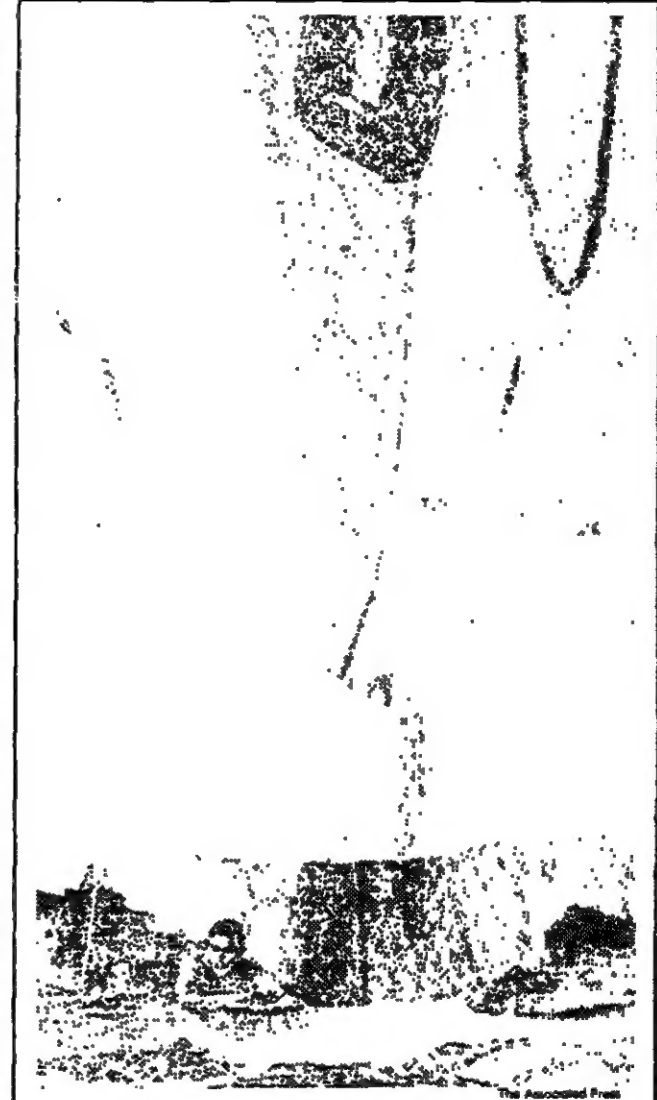
He said he would seek to recall General Secord for further questioning.

In other testimony by Mr. Hakim on Friday:

● He refused to testify about a meeting he had with General Secord and Lieutenant Colonel Oliver L. North on Nov. 24. Mr. Hakim invoked attorney-client privilege because a lawyer, Thomas Green, was present and Mr. Hakim said that Mr. Green was representing him. Colonel North, the central figure in Iran arms affair, was dismissed as a National Security Council aide when it came to light last fall.

Referring to this testimony, Mr. Rudman said that he believed that people, whom he did not name, were obstructing efforts to block crucial information in the affair.

● Mr. Hakim said that General Secord and other Americans who traveled to Iran with him told the Iranians that the United States would try to depose the president of Tehran's enemy, Iraq. Mr. Hakim also said that during negotiations with Iranians in West Germany, General Secord said "we will fight Russians in Iran in case of



A protester at the bow of the Midway on Friday as it makes its way into Sydney Harbor. The U.S. ship is part of a fleet visiting Australia to commemorate the 45th anniversary of the Battle of Midway, the Pacific turning point of World War II.

Midway Commemoration
See INSURE, Page 5

U.S. Insurance Companies Planning To Link Coverage to an AIDS Test

By Ronald Sullivan
New York Times Service

NEW YORK — Several of the largest insurance companies in the United States are planning drastic reductions in the amount of life insurance they will offer to anyone who refuses to take blood tests for the AIDS virus.

Underwriting practices call for anyone who tests positive for the virus that causes acquired immune deficiency syndrome to be generally denied life insurance.

According to insurance executives, other life insurers are expected to follow the lead of the top companies, on the assumption within the industry that people

with a high risk of contracting AIDS were buying policies that were double the average amounts.

Currently, 20,849 AIDS deaths have been reported in the United States. The companies said claims

A sharp debate has surfaced over the testing of a potential treatment for AIDS. Page 3.

involving AIDS-related deaths accounted for 1 percent of their total death payouts.

But they said if the AIDS epidemic continued to spread, as predicted by public health officials, the percentage could increase to 4 or 5 percent, a level, they said, that

would threaten the benefits of all policyholders.

Thomas Stoddard, executive director of the Lambda Legal Services and Defense Fund, a homosexual-rights advocacy group, said, "The insurance companies are trying to create the public impression that thousands of persons are seeking to defraud them by collecting when they die of AIDS."

"They have no data to prove it," he said.

Moreover, Mr. Stoddard said, a positive test result did not mean a person had AIDS or would ever get it. "The contracting of AIDS after a positive test is still low," he said.

Federal scientists estimate that 20 to 30 percent of those carrying the Human Immunodeficiency Virus, or HIV, will develop AIDS within five years of their infections.

Malcolm McKay, senior vice president of the New York Life Insurance Co., the fifth-largest insurer in the United States, said: "A positive test signifies a high prob-

Status of Japanese Farmers Erodes Critics Say Subsidies Drive Up Prices of Food and Land

By Susan Chira
New York Times Service

FURUKAWA, Japan — The bright green rice shoots stand in the flooded paddies of Furukawa; the spring planting is over and in a few months the harvest will begin.

For 13 generations, these tasks have defined the life of the Aonuma family — seeding the rice in nurseries, transplanting the shoots to the fields, celebrating the harvest with festivals drawing upon Shinto religious rites. Yoichi Aonuma, 31, sees himself as the upholder of that tradition.

But now he feels under siege, both from abroad and, for the first time, from his own countrymen.

The United States is pressing Japan to drop import bans on rice and a number of other agricultural products. Agricultural protection is on the agenda for the meeting in Venice of major industrialized democracies.

A growing number of Japanese are joining the foreign critics, saying that subsidies and import restrictions drive up food prices and maintain astronomical land prices that make Japanese housing cramped and expensive.

For Aonuma and other farmers in Furukawa, about 250 miles (400 kilometers) north of Tokyo, the attack is not only on the aid they need to survive. It is, they say, nothing less than an assault on the heart of Japan.

"We work to allow others to eat," he said. "So why should we be criticized? Our country has its roots

in the farms. Japan has been a nation of farmers."

But now the farmer is being pitted against a new national emblem

of hard work and virtue: the salaryman.

The critics say that farmers' privileges come at the expense of their urban countrymen. Farmers earn more money on the average than salaried employees, pay lower taxes, because they are allowed a broader range of deductions, and exercise more political power, because electoral districts are heavily skewed toward the rural vote.

A standard-bearer of this attack has been Kenichi Ohnishi, a managing director of McKinsey & Co. and a well-known economist. Although the percentage of Japanese engaged in farming has dropped to 7.7 percent from more than 50 percent before the war, he asserts, Japanese society and politics have not caught up with this dramatic change.

"Farmers have become exploiters of a system developed 40 years ago when this country was indeed hungry," he said. "They sell a small piece of land and live like kings. By having the right to grow products, they can get subsidies."

"Even if 80 percent of their income is from nonfarm sources, that income can be written off," he added. "Japan's big problem is that we have a lack of prosperity as a whole. It's not lack of land that forces poor living and residential conditions, it's the use of land."

Genji Sato can hardly restrain himself when he hears such accusations. His family, like Mr. Aonuma's, has been farming for 13 gen-

See JAPAN, Page 2

Long Trek for Sons of North Pole Explorers

By Eugene L. Meyer
Washington Post Service

WASHINGTON — From the frigid villages of northernmost Greenland to the steamy city of Washington they came, a startling and somewhat scandalous footnote to history.

The out-of-wedlock sons of Commander Robert E. Peary, widely credited with leading the first expedition to the North Pole in 1909, and Matthew Henson, his black assistant who may actually have reached the pole first, arrived here this week along with nine of their progeny.

For the two 80-year-old men, Karree Peary and Ahnauqaq Henson, their visit Wednesday to Admiral Peary's grave at Arlington National Cemetery and one scheduled for Friday to Mr. Henson's birthplace in Charles County, Maryland, are milestones in their journey.

They came to Washington by bus from Boston, after their first airplane flight on their first trip away from their Arctic homeland.

While they spoke little English, they looked very much like other tourists, wearing blue jeans, shirts and sport jackets and snapping photographs. Through interpreters of their Eskimo language, they marveled at the highways, the trees and the buildings.

They were honored with a message from President Ronald Reagan and were given a fancy reception, complete with a classical string quartet. Mayor Marion S. Barry of Washington proclaimed Wednesday as Matthew Henson Day.

Around an igloo made of ice, the explorers' sons and grandsons drank colas, posed for photographs and signed autographs. Some of

the relatives spoke only enough English to say "no" when asked if they spoke English.

Karree Peary, who used to hunt walrus, whale, polar bear and fox back home, said he had never seen so many people, such big roads or such large "igloos."

But not all members of the Peary clan are thrilled with the visit. Edward Stafford, a Peary grandson and retired civil servant who lives on Kent Island, Maryland, said he thought the

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On a trip north in 1932, Mr. Stafford said, he met some of his Eskimo cousins.

The two explorers "were up there at one time for four years," Mr. Stafford said. "It's a miracle there was only one descendant of each. Human beings are human. You can't send a man into a situation like that and expect otherwise."

But the explorers' sons were undaunted. At Arlington Cemetery in Virginia, they spoke of their fathers. Mr. Henson said his was "a great hunter, a leader." Mr. Peary called his "a very nice man."

It had been their lifelong dream to visit the land of their fathers, said Dr. S. Allen Counter, associate professor of neuroscience and director of the Harvard Foundation. Dr. Counter partly sponsored the gathering, which he called a "North Pole Family Reunion."

For Dr. Counter, 39, "Henson was simply my hero."

He said he suspected that Mr. Henson, who had no children by his wife, had left a human legacy in the Arctic after learning from Scandinavian colleagues about very dark-skinned Eskimos in northern Greenland.

Last year, Dr. Counter visited the tiny villages where Ahnauqaq Henson and Karree Peary lived. (Their last names were added recently.) The two men had lived in the same village for 15 years before Karree Peary's mother moved 90 miles (145 kilometers) away.

Mr. Henson had met Admiral Peary in 1888 and went with him on every Arctic expedition. Mr. Stafford said Mr. Henson was "a good

See PEARY, Page 5

India Airlift to Sri Lanka Comes Under Criticism Across the Subcontinent

NEW DELHI — The airlift by India of supplies to Tamil areas in northern Sri Lanka has pitted India against the rest of the subcontinent, with both Pakistan and Bangladesh denouncing the Indian action as an intrusion.

No country, not even the Soviet Union, a longtime friend, has publicly supported the action that India says is a humanitarian necessity.

Indian Air Force transports escorted by warplanes dropped 25 tons of food and medicine to Tamils in the Jaffna peninsula of northern Sri Lanka on Thursday. The previous day, Sri Lankan gunships turned back Indian boats that tried to deliver similar supplies by sea.

Both Sri Lanka and India have started diplomatic drives to put across their views of the operation. Diplomatic sources said their envoys around the world were briefing their host governments.

India says it is providing food because the Jaffna people, with close links to the 50 million Tamils in India, face severe hardship after a five-month economic blockade.

Sri Lanka says no outside assistance is necessary because Colombo can provide all Jaffna's requirements. Colombo calls the air drop an assault on Sri Lanka's sovereignty and territorial integrity.

The Indian foreign minister, Narain Dutt Tiwari, who is in Moscow, discussed the affair with Mikhail S. Gorbachev. The Soviet leader was said to have "displayed a perfect understanding of our analysis of the Sri Lankan situation."

Besides complaining to the United Nations, Sri Lanka has called for a special session of the South Asian Association for Regional Cooperation to discuss Thursday's airlift.

[A Sri Lankan official said Friday that Colombo would seek help in building an air defense system. The Associated Press reported from Colombo. The official said President Junius R. Jayawardene would make the request to a friendly country in South Asia for help in building air defenses. He did not name the country.]

The seven South Asia association foreign ministers are due to meet in New Delhi on June 17, but one Indian official said he expected Sri Lanka to boycott that meeting.

The Press Trust of India news agency quoted an official as saying that India is ready to discuss the issue at the South Asia association meeting.

The operation has evoked expressions of concern around the world and has had a mixed reception even in India itself. Politicians and newspapers supported it but many Indians privately expressed doubts about its wisdom and about the view it represented of India as a regional power.

The strongest outside condemnation came from Pakistan, which has fought three wars with India in 40 years.

A Foreign Ministry spokesman in Islamabad described the air drop

as a grave violation of the principle of noninterference in the internal affairs of other countries. Bangladesh was more guarded. A Foreign Ministry spokesman said Bangladesh did not as a matter of principle favor the violation of the territorial integrity, including the airspace, of other countries.

In Washington, the State Department expressed regret at the failure of India and Sri Lanka to agree on how to deliver relief aid. The United Nations secretary-general, Javier Pérez de Cuellar, said he was watching the situation with concern and appealed for restraint.

Tamil militants began a guerrilla war four years ago to achieve a separate homeland in northern and eastern Sri Lanka, where most Tamils live. About 6,000 people, mostly civilians, have been killed in the conflict. The army waged a major offensive against guerrilla strongholds in the north last week and early this week.



Buddhist monks marching in the Sri Lankan capital to protest the Indian airlift to Tamils.

Manila Insurgency: Still No End in Sight

By Keith B. Richburg
Washington Post Service

MANILA — Nearly four months after the collapse of a cease-fire between the government and Communist rebels, the Philippines' 18-year insurgency shows signs of bogging down into a protracted conflict with no end in sight, in the view of several senior military officials and foreign analysts.

The Philippine military has remained incapable of delivering a decisive blow against the rebels, or even scoring a significant battlefield victory, despite President Corason C. Aquino's recent call for "a string of honorable military victories to follow up my proclamation of war."

"We have won some battles," Defense Secretary Rafael Nieto told the Foreign Correspondents Club of the Philippines this week, but "not something you can be proud of as a military man."

That view appears to be shared by other senior military officials, and also by foreign observers.

In an interview last month, the undersecretary of defense, Fortunato Abat, a retired general, said: "To be able to convince the public that their armed forces is doing well is to be able to score a decisive military victory. We're waiting for it, and we're hoping we'll be able to get it."

Other military officials and diplomats blamed the civilian authorities for allowing the war to drag on. One foreign military analyst, echoing a widely repeated view here, complained recently that the Aquino government had placed too much time and emphasis on ratification of the constitution and restoring civil liberties, while delaying action on rural development problems that fuel the insurgency.

"A constitution isn't going to give you three square meals a day," a diplomat said. "You need land reform, dams, roads to markets."

The causes of the insurgency are still there.

A six-month amnesty program announced in February has brought down only about a thousand Communist regulars, not enough to offset the insurgency's continued growth of about 9 percent over the last year, according to military estimates.

The Communists still operate in more than 60 of the country's 74 provinces, and have stepped up their activities in the cities with dramatic assassinations.

'A constitution isn't going to give you three square meals a day. You need land reform, dams, roads to markets. The causes of the insurgency are still there.'

— A diplomat

But while the military has proven unable to defeat the rebels on the ground, the Communist Party of the Philippines and its military wing, the New People's Army, have also reached what is perhaps their weakest and most vulnerable point in the history of the insurgency, analysts said.

Since Mrs. Aquino came to power 15 months ago, the left has been rebuffed twice by voters, who overwhelmingly approved a democratic constitution and who in May turned out in record numbers to support Mrs. Aquino's moderate-conservative candidates for senate and congress.

The New People's Army has been hurt badly by the proliferation of local anti-Communist vigilante groups that have driven the rebels from some of their traditional strongholds, like Davao City in Mindanao.

The military's inability to exploit the Communists' weaknesses has

prompted recent concern from Pentagon officials in Washington. Mr. Nieto and other military analysts blamed the poor state of the military's counterinsurgency campaign on an army grown stale during a long period of abuse under former President Ferdinand E. Marcos, continuing internal divisions in the ranks, and a lack of supplies from the United States.

Manila Assassination
A police captain was shot to death in his car Friday, the fifth

victim of assassination squads in Manila within 24 hours. Reuters reported from Manila. A police spokeswoman said three young men ambushed Captain Jaime Dela Paz while he was driving to work.

On Thursday, suspected Communists struck twice in the Manila area. Killing a police chief, two subordinates and a soldier. No one has claimed responsibility for the killings.

Officials suspect commando teams, usually of three men or women, formed by the New People's Army to kill lawmen.

The Associated Press reported, meanwhile, that Mrs. Aquino vowed Friday to crush the rebels and promised to raise a citizen's army to fight insurgency on its home ground.

"I also pledge that I will not compromise the security of our people," Mrs. Aquino said. "I will not relent in my determination to

destroy all threats to democracy from the left and the right in five years. And I will take all measures necessary to achieve this aim."

The president made the pledge during a speech to graduates of the military Command and General Staff College.

In other developments:
● Business Day, a respected financial newspaper plagued with labor troubles, announced it was closing Friday after 20 years of operation. In a front page notice to subscribers, the publisher, Raul Loain, said "circumstances beyond our control" made it impossible to continue publication at its "standard of fairness, integrity and credibility."

The announcement followed a ruling by Labor Secretary Franklin M. Drilon ordering reinstatement of three leaders of the employees' union, who were dismissed early this year after a wage dispute. (AP)

● A U.S. appeals court in San Francisco overturned a lower court ruling late Thursday that had frozen all Philippine assets linked to Mr. Marcos.

The new ruling said an American court cannot judge whether a central issue in the case — Mr. Marcos' imposition of martial law in 1972 — was legal. The opinion stated that American courts do not have the power to decide whether Mr. Marcos' wealth was stolen since he was acting as the recognized president of the Philippine government. The Supreme Court could still be asked to decide the matter.

In Honolulu, Mr. Marcos said the decision proves the groundlessness of allegations that he and his wife stole the money.

"It seems to conclude that they have not substantiated the allegations of ill-gotten wealth," he said in a telephone interview. "That seems to be the point." (Reuters)

She said she had given the eggs to the boy. She cried as she told how the boy had hugged her and asked: "So you like Jews?"

Shortly after, some SS officers took the boy and "kicked the child to death outside the door of my cell with their boots," Mrs. Franceschini said.

On Friday lawyers for the civil plaintiffs asked the judge to call a Swiss financier, François Genoud, as a witness.

They said that Mr. Genoud was a Nazi sympathizer who, several lawyers have alleged, arranged the financing of Barbie's defense. They said he was in charge of the "Nazi war chest" — valuables and money that had been looted from victims during the war.

Barbie's defense lawyer, Jacques Vergès, maintains that he is providing his services free for Barbie. He was taken on in 1983 by Barbie's daughter, Ute Messner, a schoolteacher in Austria.

At least one lawyer has said that Mrs. Messner was accompanied by Mr. Genoud when she met Mr. Vergès for the first time. Barbie's son and wife are dead, making Mrs. Messner his only close relative.

Several lawyers and French press reports have said that Mr. Genoud, who lives in Lausanne, provided money for the defense. Mr. Genoud fought court battles in the 1950s to gain royalty rights to several Nazi writings.

Judge Cerdini said he would study the request to summon Mr. Genoud, ostensibly to discuss the Nazi funds that the civil party lawyers alleged he still managed.

Mr. Vergès said he saw no reason to call Mr. Genoud to testify, but raised no serious official objection. Barbie's appearance marked roughly the halfway mark in a trial in which the only evidence against him has been heard so far. The testimony Friday was the last from witnesses who claim to have met Barbie during the war.

Court officials said, meanwhile, that the authorities in Saint-Joseph Prison had confiscated Barbie's television set this week, apparently because prison officers had been irritated that he was watching the French Open tennis tournament as his trial was in progress.

The trial resumes on Tuesday.

Barbie Hears Testimony of 2 Arrested By Gestapo

By Julian Nundy
International Herald Tribune

LYON — Klaus Barbie was brought into court against his will Friday to hear testimony from two witnesses who said they had met him during World War II.

Both witnesses, members of the French Resistance who had been arrested by the Gestapo, identified Barbie in court.

One of the witnesses, André Courvoisier, 77, spoke directly to Barbie. "Mr. Barbie, you do not recognize me," he said. At this, Barbie shook his head.

"But I recognize you," Mr. Courvoisier said. "And I am going to tell you why."

At this comment, Judge André Cerdini interrupted the witness, who, under French law, is allowed to address only the judge and not the defendant. The witness then told the court that Barbie's eyes looked the same on Friday as they did in February 1943.

Barbie, who came into the courtroom unaided, is charged with crimes against humanity for his role as an SS officer during World War II.

On Friday, he sat at the trial for 70 minutes as the witnesses told of their arrests in Lyon, where Barbie served as an SS officer.

Barbie refused to respond to the allegations against him. He did speak, however, when challenged on his SS training by one of the civil party lawyers.

Asked if he had attended courses on "the Jewish question" given by Adolf Eichmann, Barbie replied: "I never knew Eichmann. I never met him." The lawyers had decided to put questions despite Barbie's silence.

After Mr. Courvoisier left the stand, the state prosecutor, Pierre Truche, challenged Barbie to speak, telling him it might be his last chance to do so during the trial.

Barbie explained his refusal to do so by repeating an earlier argument that he was "juridically absent" because of his forced departure from Bolivia.

On May 13, the third day of his trial, he walked out of court, contending that his 1983 expulsion from Bolivia to France was illegal.

Since then, he has been ordered back to court once, on May 26. But on that occasion, witnesses were called only to identify him; he was not obliged to listen to their testimony.

The prosecutor told Barbie that he was living "a fiction." He said Barbie would never return to Bolivia and that his trial would be completed.

Julie Franceschini, 78, told how Nazi torturers, including a French collaborator, François André, had plunged her head into a bathtub full of water in which previous prisoners had vomited. Barbie was present throughout the night of interrogation, she testified.

Barbie showed no signs of emotion as Mrs. Franceschini recounted how a French woman warned her two hard-boiled eggs at Easter of 1944, instructing her not "to give them to the Jew," a young boy who was in her cell in Montauban Prison.

She said she had given the eggs to the boy. She cried as she told how the boy had hugged her and asked: "So you like Jews?"

Shortly after, some SS officers took the boy and "kicked the child to death outside the door of my cell with their boots," Mrs. Franceschini said.

On Friday lawyers for the civil plaintiffs asked the judge to call a Swiss financier, François Genoud, as a witness.

They said that Mr. Genoud was a Nazi sympathizer who, several lawyers have alleged, arranged the financing of Barbie's defense. They said he was in charge of the "Nazi war chest" — valuables and money that had been looted from victims during the war.

Barbie's defense lawyer, Jacques Vergès, maintains that he is providing his services free for Barbie. He was taken on in 1983 by Barbie's daughter, Ute Messner, a schoolteacher in Austria.

At least one lawyer has said that Mrs. Messner was accompanied by Mr. Genoud when she met Mr. Vergès for the first time. Barbie's son and wife are dead, making Mrs. Messner his only close relative.

Several lawyers and French press reports have said that Mr. Genoud, who lives in Lausanne, provided money for the defense. Mr. Genoud fought court battles in the 1950s to gain royalty rights to several Nazi writings.

Judge Cerdini said he would study the request to summon Mr. Genoud, ostensibly to discuss the Nazi funds that the civil party lawyers alleged he still managed.

Mr. Vergès said he saw no reason to call Mr. Genoud to testify, but raised no serious official objection. Barbie's appearance marked roughly the halfway mark in a trial in which the only evidence against him has been heard so far. The testimony Friday was the last from witnesses who claim to have met Barbie during the war.

Court officials said, meanwhile, that the authorities in Saint-Joseph Prison had confiscated Barbie's television set this week, apparently because prison officers had been irritated that he was watching the French Open tennis tournament as his trial was in progress.

The trial resumes on Tuesday.

WORLD BRIEFS

Spain Bans New South Africa Dealings

MADRID (Combined Dispatches) — Spain banned on Friday new direct investment in South Africa to press for the abolition of apartheid, a spokesman for the Foreign Ministry said.

The ban would bring Spanish companies in line with European Community policy. The spokesman said the ban did not apply to existing investment or to investment by multinational companies in which Spanish companies had interests.

The U.S. Catholic Conference announced on Thursday that it would rid itself of \$5.3 million in investments in American companies that continue to do business in South Africa. (Reuters, UPI)

Belgrade Pardons Armenian Assassin

BELGRADE (APF) — Yugoslavia has granted a pardon to an Armenian guerrilla serving a 20-year prison term for the March 1983 assassination of the Turkish ambassador to Yugoslavia, Galip Balkar, the Tanjug press agency reported Friday.

A group called the Justice Commando for the Armenian Genocide, claimed responsibility for the killing. Haroutioun Levonian, 26, was pardoned "on humanitarian grounds," Tanjug said. The Armenian was badly wounded while trying to escape from the police and has since been paralyzed. His condition has recently deteriorated, Tanjug said.

Raffi Elbekian, 23, who was Mr. Levonian's accomplice in the attack on the ambassador, is serving a 15-year sentence. Both men confessed to killing Mr. Balkar and injuring his chauffeur. But they have denied killing a Yugoslav student and wounding a colonel in their attempt to escape. They claimed the two were mistakenly shot by police.

Israel Considers Envoy for U.S. Post

JERUSALEM (NYT) — Moshe Arad, Israel's ambassador to Mexico, has been summoned to Jerusalem to be interviewed by Prime Minister Yitzhak Shamir about possibly becoming Israel's next ambassador to the United States, government sources said Friday.

They said that Mr. Shamir and Foreign Minister Shimon Peres, embarrassed by not being able to agree on a successor to Meir Rosenne, the former ambassador to Washington, had decided on a hasty compromise. Mr. Arad apparently already has the endorsement of Mr. Peres and is to meet Sunday with Mr. Shamir.

Mr. Rosenne's term ended June 1, and many U.S. officials and American Jews let Israel know they were distressed that the country, which receives \$3 billion a year in foreign aid from the United States, no longer had an ambassador in Washington due to a squabble in the "national unity" government.

Speaker of Chamber Resigns in Beirut

BEIRUT (AP) — Hussein Husseini, the speaker of Lebanon's Chamber of Deputies, resigned Friday, accusing President Amin Gemayel of failing to crack down on rightist Christian extremists who he blames for assassinating Prime Minister Rashid Karame.

The resignation of Mr. Husseini, a Shiite Muslim, aggravated a political crisis that could rekindle sectarian battles between Christians and Muslims.

Mr. Husseini said the Lebanese Army has been "penetrated and entangled in the operation of assassinating the prime minister." Although he did not mention names, his words brought him on the side of Muslim militia leaders who accused the army command and the Christian Lebanese Forces militia of complicity in Mr. Karame's killing.

Papandreou Wants Vote on U.S. Bases

ATHENS (NYT) — Prime Minister Andreas Papandreou of Greece has proposed that negotiations on the continued presence of U.S. military bases in Greece be linked to the country's long-running dispute with Turkey and that any accord with the United States be put to a national referendum.

The shift from earlier vagueness about his terms for renegotiating the American military presence has set Greece on a collision course with the United States. Western diplomats said, since he is seen as having reneged on earlier commitments to a speedy resolution of the bases issue. Mr. Papandreou came to power in 1981 saying that the bases would be closed, but Greece and the United States reached an agreement, which expires in December, to keep the bases open.

TRAVEL UPDATE

Businessman Nominated to Head FAA

VENICE (UPI) — President Ronald Reagan said Friday that he would nominate T. Allan McArdor, a vice president of Federal Express, to head the Federal Aviation Administration.

Mr. McArdor, 44, whose nomination was expected, would succeed Donald D. Engen as administrator of the agency, which is responsible for maintaining the safety of civilian aviation. Mr. Engen announced earlier this year he is leaving the agency next month.

Mr. McArdor is a senior vice president of telecommunications with Federal Express, based in Memphis, Tennessee. He is a veteran of the Vietnam War who was awarded the Silver Star and also served in the Thunderbirds, the air force precision fliers. His nomination has to be confirmed by the Senate.

U.S. Toughens Limits on Carry-on Bag

WASHINGTON (AP) — The government told airlines on Friday that it must limit carry-on baggage by the end of the year. Airlines will have to ensure that all such items are properly stored before a plane leaves its boarding gate.

Flight attendants have complained for years that passengers often take too many items on board, sometimes making proper stowing impossible. Beginning Jan. 1, 1988, the Federal Aviation Authority will require each airline to establish its own limits on the size and number of items that may be brought aboard various aircraft.

It will also require each passenger's baggage to be "scanned" before boarding to verify that it does not exceed those limits. The new rules will also require the door of the jetliner to remain open until flight attendants have confirmed that all baggage has been properly stowed.

Air traffic control assistants in Britain announced on Friday that they will strike for 24 hours, beginning at midnight Sunday. They seek more pay and better working conditions. Domestic and international traffic is expected to drop by up to 50 percent during the strike. (Reuters)

Trans World Airlines will add a surcharge to domestic and international ticket prices to cover the rising cost of jet fuel, the airline announced Thursday. The extra charge will range from \$5 to \$16, depending on the price of jet fuel and the number of miles flown. (AP)

International flights to and from Stockholm were disrupted Friday as air traffic controllers stepped up a job action to press demands for more pay, officials said. Two international flights and 30 domestic flights were canceled. (Reuters)

Express Buses in Dallas Will Provide Cellular Phones for Suburban Riders

DALLAS (UPI) — Starting in August, 30 of the buses traveling express routes from the suburbs to downtown Dallas will have cellular telephones on them. The phones, provided by the Dallas Area Rapid Transit Authority, will let riders make \$1-a-minute calls.

The phones are part of a program to attract new riders and make more money for the bus system. Since February, commuters in suburban Irving have been able to drop off dirty laundry in the morning at a park-and-ride facility and pick up clean, folded clothes in the afternoon.

Correction

A Washington Post article in Friday editions of the Herald Tribune reporting on a lawsuit accusing Xerox Corp. of fraud on a defense contract, incorrectly said that the legal action was filed by the U.S. government. The lawsuit was filed by Martin E. O'Malley on behalf of the U.S. government, and the Justice Department has not decided whether to participate in the lawsuit.

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OMEGA ALWAYS MARKS SIGNIFICANT MOMENTS IN THE OLYMPICS. IN THE SPACE PROGRAM. IN SIGNIFICANT LIVES LIKE YOURS. THE OMEGA CONSTELLATION. FOR YOU BOTH.

JAPAN: Farmers Face Criticism

(Continued from Page 1)
erations, and he continues to tend the paddies and pigs. He is up at 5:30 A.M. to feed the pigs, takes a brief break for breakfast at 7 A.M., heads out to the paddies and stops only for dinner at 7 P.M.

"Their life seems better than ours," he says of Japan's salaried employees. "They can travel while I work all year round, including weekends. Their wives don't have to work, and mine does."

Without help from the government, Mr. Sato and other Furukawa farmers say, they could not have a living from farming. Partly because of the postwar American-imposed land redistribution, which broke up large landholdings and distributed land to tenant farmers, most plots remain too small to be farmed profitably.

The average size of rice fields in Furukawa is slightly under three

and a half acres (1.4 hectares). As it is, only 627 of the 4,633 farming households in the area receive all their income from farming, a trend reflected in the nation as a whole.

Although surveys show that most consumers still back the "food security" argument, this consensus appears to be breaking down. Big business groups are urging a closer look at these controls and the Agricultural Ministry itself has appointed a study group to examine them.

CONTRA: Hakim Testifies

(Continued from Page 1)
invasion, with or without the government of Iran's assistance."

● Mr. Hakim testified Thursday that Colonel North appeared to have been fully aware that a secret \$200,000 Swiss bank account had been set up for him and that Mr. Hakim had made him a beneficiary in his will for \$2 million.

This assertion, made under questioning, reversed his testimony Wednesday in which he insisted that Colonel North had known nothing of financial transactions. Mr. Hakim had made in the colonel's favor. (AP, UPI)

Abrams Urged to Resign
Robert C. Byrd, the Senate majority leader, on Friday urged Elliott Abrams to resign as assistant secretary of state for Latin American affairs.

Mr. Byrd, Democrat of West Virginia, said Mr. Abrams could not continue as the "main man" of the administration's Latin America policy because "no one" in Congress trusts him.

"Whatever credibility he had is gone, shot completely," Mr. Byrd said. He characterized Mr. Abrams' testimony in the Iran arms affair as "deceptive and shows an arrogance typical of this administration so often."

Mr. Abrams admitted he misled Congress when he testified in November 1986 that he knew of no efforts by government officials to solicit aid for the Nicaraguan rebels from other governments.

CHURCH SERVICES

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IMMANUEL CHURCH, German, English, and Swedish, 10:30 a.m. (Sunday) Tel. (08) 511225, 5116051.

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ENGLISH LANGUAGE SERVICE, Kaiser-Wilhelm Memorial Church (Chapel), Kurfurstendamm, 10:30 a.m. (Sunday) Tel. (030) 8132021.

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TRINITY BAPTIST CHURCH, 5:30 P.M., 11:00, nursery, warm fellowship, Meets at Wassenaar Cultural Centrum, Karlastraat 75 in Wassenaar, Tel. (071) 78024.

PARIS SUBURBS
EMMANUEL BAPTIST CHURCH, 56 R. des Borelles, Rueil-Malmaison, English speaking, 10:30 a.m. (Sunday), 5:30 P.M., 11:00, nursery, 10:45, Other activities, Call Dr. S.C. Thomas, Pastor, (1) 47.49.15.29.

To place an advertisement in this section please contact:
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AMERICAN TOPICS



RETURN TO SENDER? — A Dade County, Florida, police sergeant removing a three-foot-long boa constrictor from a mailbox. The officer took the boa, which was discovered by a postal worker, home for a night when wildlife officials failed to claim it.

Visitor to U.S. Tells Of Grueling Welcome

The New York Times published the following letter from Jan J. van Willegen of Baarn, the Netherlands:

For years, I have visited New York on business and have been obliged to go through the long, irritating procedure of clearing United States Customs and Immigration. My most recent trip was no exception.

After a tiring Atlantic flight, I and a vast crowd of other travelers were forced to remain, standing, in a long, narrow corridor reserved for those who carry foreign passports. Getting out of the building took two hours.

During this seemingly interminable wait, we had the opportunity to stare at the wall on which the word "welcome" is written in 15 languages. Older passengers became faint, but there was not even a bench on which to rest. At the booths, agents pored through huge, medieval-looking books which, amazingly, have not been replaced by computers.

If the government truly wants to encourage travel to the United States — whether for business or tourism — there must be a better way of demonstrating it. I feel certain that if American travelers to Europe

were treated as we are here, it would be considered intolerable. It is to be hoped that our courtesies toward United States visitors will, some day soon, be returned in kind.

Short Takes

When Paul A. Volcker resigned this week as chairman of the Federal Reserve Board, he had acquired the reputation of being "the second most powerful man in the country." But he appears to have no aspirations to becoming the first most powerful. Although Mr. Volcker, 59, a Democrat, is widely credited with having superb political skills, he has never run for office. A spot check around Washington by Robert C. Siner of the International Herald Tribune drew comments like "the chances are zero," "inconceivable" and "it's the last thing he would do." A spokesman at the Fed, Joseph Coyne, laughed at the question, adding that Mr. Volcker has "not considered running for the presidency or any other political office" and has "not given any thought" to his future plans.

New York City has adopted an "exclusive zoning" plan designed to make it easier for low-income families to stay in a neighborhood where luxury

apartment houses are going up. Although limited to high-density areas, the plan will permit the building of towers up to 20 percent higher than would normally be allowed, in return for building, renovating or preserving low-income housing within half a mile (about one kilometer). The more generous the low-income project, the bigger the height allowance.

New puppy wagons have been adopted by the Los Angeles police department that separate the passengers. Nine can be carried at a time, each riding in a separate compartment with its own door and with a body-restraining yoke, like those used on amusement-park rides, for drinks. The police noted that in the old-fashioned puppy wagon without compartments, some of the occupants could be attacked or robbed by the others.

An 88-year-old man was knocked unconscious by a flying dog in Sacramento, California. Elmer Searle, a retired car salesman, suffered a black eye and minor injuries when the dog, struck by a passing vehicle, flew through the air and struck him. The dog did not survive. The driver of the vehicle was not charged but the dog's owner, Lorraine Farrens, was cited for failing to keep her pet on a leash.

—ARTHUR HIGBEE

U.S. Officials Back Saudi Actions in Gulf Attack

By David K. Shipler
New York Times Service

WASHINGTON — The Iraqi missile attack on the U.S. frigate Stark last month has complicated Washington's military relationship with Saudi Arabia, whose pilots declined to intercept the Iraqi plane after its strike.

Officials in the Pentagon, the State Department and the White House say the Saudi pilots and ground controllers performed correctly, following strict guidelines imposed earlier by the United States to preclude Saudi Arabia from using American-built F-15s against Israel or other countries.

In Congress, however, anger over the May 17 incident has contributed to an expanding effort to block the Reagan administration's plans to sell the Saudis 1,600 air-to-ground Maverick missiles, worth \$360 million.

As of Thursday, 52 senators had agreed to co-sponsor a resolution of disapproval, which would need 67 votes to sustain a presidential veto.

The congressional opposition, which may affect other planned arms sales to the Saudis, came just as the administration is trying to persuade Saudi Arabia to provide some air cover for American ships in the Gulf and possibly landing rights for American fighter planes.

It was for this purpose that Defense Secretary Caspar W. Weinberger met Thursday in Nice, France, with the Saudi defense minister, Prince Sultan bin Abdul Aziz. According to the Saudi Embassy in Washington, "needs of the kingdom" were discussed, an indication that the arms sales came up.

Administration officials said they doubt the Saudis will risk getting into combat on behalf of the United States without some assurance that U.S. arms will be forthcoming.

"It's a reciprocal relationship," said an administration official. "They can provide some help, if they have the political will. They have to have confidence in our staying power."

"This is a test," he said of the proposal to sell Maverick missiles, "and if they don't think that we pass the test, why should they put themselves in harm's way?"

He and other administration officials defended the Saudi refusal to intercept the Iraqi jet that attacked the Stark, apparently by mistake, killing 37 U.S. sailors.

Officials said that in recent years, as the Saudis obtained advanced U.S. AWACS surveillance planes and F-15 fighters, questions of how the aircraft would be used were discussed in detail, with contingencies such as an attack on an American ship being considered.

"We said the Saudi mission was to defend the AWACS and to defend Saudi territory," one official said. "In international zones, we would take care of our own."

Consequently, he said, when the Iraqi plane was detected by an AWACS, Saudi F-15s were scrambled to protect the surveillance aircraft. And when a controller in the AWACS reportedly asked the Saudis to intercept the Iraqi plane as it returned from its attack, the Saudi pilots insisted on checking with their ground controller, who had to check with his superior.

One administration official said he found it "reassuring that there's discipline."

Another official drew an analogy. "What would we do," he asked, "if an Italian ship off North America was accidentally fired at by a Canadian airplane, and the Italian ship said, 'Help!'?"

Investigations said that they have had trouble tracing the expenditure of \$60,000 given to the Bronx church by Wedtech and Mr. Marotta, a Roman Catholic who has made contributions to a variety of religious groups. They said it had been commingled with other accounts held by the church.

The \$30,000 check from PTL was sent on March 15, 1985. That was 16 days after the Reverend Richard Dortch, a member of the PTL board, arranged a series of payments to Miss Hahn.

WASHINGTON — Even a complete cutoff of oil from the Gulf might cause no shortages in the United States for two months, according to Charles J. DiBona, president of the American Petroleum Institute.

Responding to inquiries caused by the attack on the U.S. guided missile frigate Stark, Mr. DiBona said Thursday that substantial stockpiles and idle capacity elsewhere served as buffers against any loss of Gulf oil.

A cutoff might prompt the United States and other countries to be prudent with their stockpiles to assure stable supplies and prevent price increases, Mr. DiBona said.

But the effect could be felt by the United States when European and Japanese buyers rushed to buy oil wherever they could find it, causing higher prices and redirected supplies, he said.

U.S. to Use Radar Planes Against Drug Smugglers
Los Angeles Times Service

BURBANK, California — Lockheed Corp. says it will begin production of a new airborne early warning aircraft program on a \$19.7 million contract issued to the company by the U.S. Customs Service.

The new aircraft will be a derivative of the navy P-3 Orion anti-submarine patrol aircraft. The Customs Service plans to use the plane to track drug smugglers in the Caribbean and will fly patrols as far south as Colombia.

Debate Surfaces Over an AIDS Treatment

By Larry Thompson
Washington Post Service

WASHINGTON — "We are forced to conclude that there is no scientific basis to believe that Peptide T is effective."

With that remark Thursday, Dr. William Haseltine of Harvard University made public a controversy brewing for months just below the surface of scientific and professional civility.

His comment came during a plenary session of the Third International Conference on AIDS here.

"It has been very upsetting," said Dr. Candace Pert, a neuroscientist at the National Institute of Mental Health and the discoverer of Peptide T.

The debate appears to be as much about the intense competition among groups within the AIDS research community as about science. Research on acquired immune deficiency syndrome, for which no cure has been found, has produced a number of controversies, including the effectiveness of another drug, zalcitabine.

The Food and Drug Administration has authorized Dr. Pert to conduct tests of Peptide T, a synthetic substance, on humans.

Peptide T, a small section of protein building-blocks, purportedly mimics the part of the AIDS virus that helps the virus infect white blood cells. Under the theory, Peptide T prevents infection by fitting into the white blood cell where the AIDS virus otherwise infiltrates.

Dr. Pert said Peptide T fits the cellular lock. Dr. Haseltine disagrees, saying:

"Peptide T does not work. Nothing. Nada." He said he believes that the peptide fails to block the virus because it does not fit any sensitive part of the target molecule on the cell's surface.

Dr. Haseltine said that several laboratories around the world have been unable to duplicate experiments by Dr. Pert. Several other scientists, who asked not to be named, also said they question the Peptide T data.

On Thursday, however, Dr. Elaine Kinney-Thomas from Oncogen, a Seattle biotechnology company, reported that Peptide T blocked AIDS virus infection in laboratory-grown cells.

Policy Ridiculed At AIDS Parley
WASHINGTON (UPI) — Several hundred people stood in protest, shouting comments and laughing during the U.S. health and human services secretary's remarks Friday at the conclusion of the Third International Conference on AIDS.

In face of the protest, the secretary, Otis R. Bowen, added a final comment to his prepared speech: "I really don't object to your protest," he said. "I shall not turn my back on the problem of AIDS or the people who have it."

The protesters, many of them medical researchers, appeared to be following the lead of a flyer circulated beforehand.

The flyer said that President Ronald Reagan's administration's AIDS policy "shows ignorance and contempt for the collective wisdom of the world medical and scientific community."



Dr. C. Everett Koop

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Dr. Koop suggested taking a pessimistic view until researchers have the facts.

"We could be facing an explosion in the heterosexual community as we did in '81 or '82 in the homosexual community," he said.

However, a report at the conference Thursday estimated that a woman has one chance in 1,000 of catching AIDS infection from a single sexual encounter with an infected man.

Researcher said the study by Dr. Warren Winkelstein of the University of California at Berkeley supported the belief that the AIDS epidemic would spread slowly among heterosexual Americans.

There were these other developments related to AIDS:

• Infection by a newly discovered type of AIDS virus is spreading across Europe, has appeared in South America and may occur in the rest of the Americas, a French researcher has warned.

Dr. Luc Montagnier of the Pasteur Institute in Paris, a discoverer of the original AIDS virus, said Thursday that a few cases of infection with HIV-2, the newcomer, have been detected in France, West Germany, Britain and Sweden.

Two cases of infection have been reported in São Paulo. (UPI)

• Two new studies conducted in New York and San Francisco found 69 percent of hospital doctors surveyed believe they can get AIDS from their patients. One in four would refuse to treat AIDS patients if given a choice. (AP)

• AIDS cases among infants born to infected mothers have been reported in 26 U.S. states, and black babies are 25 times as likely as whites to contract the disease. The babies acquire the virus while still in the womb. Dr. Margaret Oxtoby of the federal Centers for Disease Control said the number of infant cases is doubling every 14 months. (AP)

• The number of homosexual men choosing celibacy has increased five-fold since 1984, a study of thousands of men in the United States shows. Researchers who have studied 4,955 homosexual and bisexual men since April 1984, questioning them every six months about their sexual activities and life-styles, said the number of men who reported they were celibate increased from 2 percent of the group to 12 percent. (UPI)

Warning to Heterosexuals
The U.S. surgeon general, Dr. C. Everett Koop, said Friday that there could be an "explosion in the heterosexual community" of infection with AIDS. The Associated Press reported from Washington.

"Or it could just filter through the community," Dr. Koop said in an television interview. "Hopefully people have heard our message and changed their behavior patterns."

He said that scientists do not yet know the extent of the AIDS threat to the general population.

"I think the next six months will tell you whether we have to be as concerned about the heterosexual transmission as many people think," said Dr. Koop.

Dr. Koop suggested taking a pessimistic view until researchers have the facts.

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Argentine Amnesty Includes Most Lower-Rank Officers
BUENOS AIRES — The Chamber of Deputies gave final approval early Friday to an amnesty bill that absolves most lower-ranking military officers from prosecution for crimes against political prisoners during military rule in the 1970s.

The bill was approved by a vote of 125-54. It was adopted by the Senate and is expected to be signed by President Raúl Alfonsín.

The measure, originally proposed by Mr. Alfonsín, was first adopted by the chamber May 16, but a second vote was necessary after the Senate added amendments that widened the scope of the amnesty.

The amnesty absolves from prosecution all military officers who held a rank lower than that of full colonel during the years when the human rights crimes were committed, unless a person is suspected of

PTL and Wedtech Scandals Converge In Donations to an East Bronx Church

By Samuel G. Freedman
New York Times Service

NEW YORK — The vectors of two seemingly unrelated scandals intersected this week at an East Bronx church, appropriately named the Cross Road Tabernacle.

Federal officials who are investigating the Wedtech Corp., a military contractor in the South Bronx, confirmed a report that the company and its founder, John Marotta, had given the church \$80,000. They said only \$30,000 of that is accounted for.

Representatives of the church and the PTL television ministry said that the ministry's former leader, the Reverend Jim Bakker, had donated \$50,000 to the Cross Road Tabernacle. How that money was spent remains unclear.

Federal investigators and the new PTL leadership are asking the same question: Did the \$60,000, or the \$50,000 — go to buy the silence of Jessica Hahn? Miss Hahn, a former church secretary from Long Island, had a tryst with Mr. Bakker in 1980 that eventually led to his downfall.

How could the same Bronx church attract the attention of Wedtech and PTL? Because of its spiritual leader, the Reverend Aimee Garcia Cortese.

Ms. Cortese, the minister at the Cross Road Tabernacle, has been a member of the PTL board of directors since 1979. She and Mr. Bakker were ordained by the Assemblies of God.

Her brother, Robert Garcia, a Democratic congressman whose district includes the South Bronx, has been described by law enforcement officials as a target of the Wedtech investigations.

Ms. Cortese has not been charged with any crime, either regarding Wedtech or PTL.

But federal investigators are looking into what happened to the Wedtech money that went to the Cross Road Tabernacle. A high-ranking PTL official said Thursday that the \$50,000 contribution to the Bronx church was actually intended for Miss Hahn.

Ms. Cortese's lawyer, Michael Quist of Paramus, New Jersey, said his client has denied any wrongdoing. He said the \$50,000 from PTL was used for church renovations.

The suggestion of a link comes as the Internal Revenue Service, the Justice Department and the Federal Bureau of Investigation are unraveling the tangled finances of Mr. Bakker's time at PTL.

In the Wedtech case, a federal grand jury has indicted seven men, including Representative Mario Biaggi, Democrat of New York, whose district includes the East Bronx. He was indicted on bribery charges stemming from several investigations into how the company got millions of dollars in federal defense contracts, often without competitive bidding.

Mr. Garcia was not indicted and has maintained his innocence.

Investigators said that they have had trouble tracing the expenditure of \$60,000 given to the Bronx church by Wedtech and Mr. Marotta, a Roman Catholic who has made contributions to a variety of religious groups. They said it had been commingled with other accounts held by the church.

The \$30,000 check from PTL was sent on March 15, 1985. That was 16 days after the Reverend Richard Dortch, a member of the PTL board, arranged a series of payments to Miss Hahn.

WASHINGTON — Even a complete cutoff of oil from the Gulf might cause no shortages in the United States for two months, according to Charles J. DiBona, president of the American Petroleum Institute.

Responding to inquiries caused by the attack on the U.S. guided missile frigate Stark, Mr. DiBona said Thursday that substantial stockpiles and idle capacity elsewhere served as buffers against any loss of Gulf oil.

A cutoff might prompt the United States and other countries to be prudent with their stockpiles to assure stable supplies and prevent price increases, Mr. DiBona said.

But the effect could be felt by the United States when European and Japanese buyers rushed to buy oil wherever they could find it, causing higher prices and redirected supplies, he said.

U.S. TV Preacher Discloses Layoffs

The Associated Press

VIRGINIA BEACH, Virginia — The Reverend Pat Robertson announced Friday that he has laid off 500 employees from his Christian Broadcasting Network because of a drop in donations caused by controversies at other television ministries.

"We just don't have the money to pay their salaries," Mr. Robertson said on his television show. He said the network also has dropped its toll-free telephone line and will scale back its Operation Blessing, which distributes money for charity.

Mr. Robertson, who is considering a bid for the Republican presidential nomination, said the network has lost \$12 million through the end of last month and projected a loss of \$28 million by the end of the year. He blamed scandals involving other evangelists.

There is no question that the government is weakening," said a diplomat in San Salvador. "There has been a marked deterioration in the last six months."

The rebels appear to have the active support of only a limited number of committed and highly organized backers in the city.

But there is far broader discontent with the government, and the resurgence of the rebels appears to be another indication that they are a deeply ingrained part of Salvadoran society.

The guerrillas say they are optimistic about their prospects, and conditions appear to support their case. El Salvador faces declining economic conditions, rising inflation, a sharply rising population and growing political pressure for change at a time of seeming paralysis on the part of the government and army.

The resurgence of the rebels also is an indication that U.S. policy in El Salvador will be severely tested in the year ahead and that the country's problems are far from solved, despite more than \$700 million in U.S. aid this year.

Now almost every week the U.S. Embassy is painted with slogans by student demonstrators denouncing the United States and President Ronald Reagan. American officials say they expect harsher rebel attacks and bombings in San Salvador in the months ahead.

"This is an empty, nonworking democracy, and we are demonstrating to show it," said Bernardo Zamora, a leader of the main student union as he marched past burning tires Tuesday in a demonstration in the city's center.

The protests are held almost weekly by unions and students sympathetic to the Marxist-led Farabundo Martí National Liberation Front, the guerrillas' umbrella organization, which is in its eighth year of war against the government.

In the countryside, the rebels have kept up pressure on the army with frequent ambushes.

After a devastating raid in April in which they killed and wounded almost 200 soldiers at a major army fort, the rebels penetrated the garrison town of San Francisco Gotera last month and mortared the main army base there. It was the first time they have been able to carry out such a raid in almost four years.

Salvadoran Leftists Increase Pressure Rebel Activity in Capital Indicates a Weakening Duarte

By James LeMoyné
New York Times Service

SAN SALVADOR — Carrying out a pledge they made last year, leftist rebels and their supporters have sharply stepped up their political and military activities here in the Salvadoran capital in the last month, seriously harassing the government.

The guerrillas and their backers have shown remarkable determination in bringing the war and their political struggle to the city to the greatest extent in the last four years.

They have burned buses, ambushed police units and bombed electrical installations, and have started to rebuild their urban front groups and a new trade union movement.

Bombs and gunfire are heard most evenings somewhere in San Salvador, and residents and political leaders appear nervous.

The government does not appear seriously threatened, but the presence of the rebels is seen by many as part of a gradual decline in President José Napoleón Duarte's ability to govern. Mr. Duarte completed his third year in office this week.

Herald Tribune

Published With The New York Times and The Washington Post

Lies and More Lies

Deceit and Enrichment

Two patterns emerge starkly from the Iran-contra hearings: of deception and self-enrichment. The Reagan administration admits, with painful reluctance, that it misled Congress and the public about its secret activities in Nicaragua. Just as reluctantly, participants in the arms supply operation to the contras reveal how they used the cloak of secrecy for private gain.

These patterns contain ugly questions that do not stop with Elliott Abrams, the assistant secretary of state for inter-American affairs, and Lieutenant Colonel Oliver North. Congress finds it understandably difficult to believe Mr. Abrams. Yet Secretary of State George Shultz gives him his "full and complete confidence." And although Colonel North appears to have received a variety of personal benefits, from life insurance to snow tires, President Reagan has yet to modify his view of him as "a national hero."

Last Nov. 25, Mr. Abrams told Congress that the administration had not raised funds for the contras from other countries. That was untrue. Truthful answers might have led Congress to uncover the White House-sponsored "private" arms network. Mr. Abrams fenced and fibbed even as the White House was announcing the diversion of Iran arms money and the discharging of Colonel North. Mr. Abrams now says he lacked "authority" to divulge that deal. He had sworn to keep secret the Sultan of Brunei's contribution of \$10 million. Committee members rightly replied that Mr. Abrams had no right to promise such secrecy, and certainly had no duty to lie about it in testimony.

The White House and Mr. Abrams blundered by not delivering the money to the needy Nicaraguan rebels. Mr. Abrams now polishes that blunder into a defense. He

contends that since the money had not arrived — it was sent to the wrong Swiss bank account — he could legitimately deny that it had been raised. For good measure, he took a week to ponder his deceptions before acknowledging his error to Congress.

More: Last fall the Nicaraguan supply mission was exposed by the downing of the plane bearing Eugene Hasenfus, the American cargo chief. At the time, Mr. Abrams categorically denied that the administration was involved. His defense? He didn't know about it. Why? Because, he now admits, he consciously refused to inform himself — despite orders from Mr. Shultz to keep tabs on Colonel North. He now employs his supposed ignorance to contend that he truly believed his inaccurate public assurances.

Layers of lies. Testimony this week also revealed that a Catholic priest who once told Congress that Sandinistas had dressed up as contras to commit atrocities was himself a fake priest. And who arranged for his congressional appearance, in costume? None other than Colonel North.

Other testimony further sullies the colonel's image as a selfless patriot. His private partners in the arms enterprise, Richard Secord and Albert Hakim, seem to have profited handsomely from the \$200 million package of fringe benefits and made him heir to \$2 million in arms profits. And he seems to have extracted money for groceries and snow tires from travelers' checks intended for the contras.

Congress has a right to wonder how any honorable dealings are possible with Mr. Abrams, who even now makes no pledge to be more curious or careful, or with a secretary of state whose spokesman describes Mr. Abrams as "sensational." Congress must wonder also about the judgment of a president who has yet to disown Colonel North.

— THE NEW YORK TIMES

Congress Can't Accept

The testimony of Elliott Abrams was in many respects the most revealing and painful yet heard in the Iran-contra hearings. Here was a ranking State Department official showing himself to be an enthusiast so committed to the pursuit of a challenged policy that he had been prepared to set aside considerations — namely, openness, the building of trust — that should be the basic and normal stuff of government business, especially when the policy is hotly contested.

The assistant secretary of state for inter-American affairs presented himself as the scrupulous and unoffending or minimally offending victim of an administration's division of labor in which the State Department had only one walled-off part, and perhaps not the principal part, of the president's Nicaragua policy. But to conduct his assigned business and meanwhile keep himself plausibly in the dark about the rest, traces of which were to be seen almost everywhere, was truly a meticulous and demanding labor. Mr. Abrams performed it with a diligence that alternately saddened and enraged those who heard his tale.

Certainly a measure of political vengeance

was taken on the essentially unrepentant Mr. Abrams by some who questioned him. Congress, after all, is embarrassed to have failed so dismally in its duty of oversight. And it recurrently provided the administration with revised rules of the game, which it had to know was being played right up to the edge of what was allowed. The main thrust of the questioning, however, fell elsewhere. "We cannot advance United States interests if public officials who testify before the Congress resort to legalisms and word games, claim ignorance about things they either know about or should know about and at critical points tell the Congress things that are not true," said chairman Lee Hamilton. To us, this summary of congressional sentiment was neither partisan nor narrowly protective of congressional prerogative, but legitimate and expressive of the core requirement of democratic political making.

Mr. Abrams at once received a ringing endorsement from Secretary of State George Shultz. But Congress has made clear that it cannot accept the kind of relationship with the State Department and the administration as a whole that emerged from Mr. Abrams' reluctant testimony.

— THE WASHINGTON POST

The Greenspan Board

Alan Greenspan will take over the chairmanship of the Federal Reserve Board at a time when the board is, by any historical standard, conspicuously weak. The chief defect is inexperience. While the chairman usually gets most of the public attention, there are in fact seven seats at the table, and all members' votes count equally in the decisions that set America's monetary policy.

Central banking is an esoteric and specialized business. For that reason, members' terms are set by statute at 14 years, with one term expiring every other year. But an unusual cycle of resignations has disrupted that orderly progression. Except for the outgoing chairman, Paul Volcker, no member of the present board has as much as three years' tenure; only one member has more than 18 months on the board, and one seat is vacant.

As recently as five years ago, the board was very much a matriarchate. All but one of the seven members were professional economists. Most had worked at staff level in the Federal Reserve System before their appointments, and a couple had spent most of their careers there. As a group they represented a very high level of expertise and intellectual capacity; the board's great shortcoming in those years was a lack of representation of the world that it regulates.

All that has now been reversed. The Reagan appointments have reflected the populism that is always a part of this administration's economics, as well as the intention to build an opposition to Mr. Volcker and the consensus of experts over which he presided. Several of the present members have had experience in commercial banking, but the Federal Reserve's work takes it into areas that commercial bankers rarely visit.

The complexity of the board's work has increased sharply in the last 15 years. Rapid swings in interest rates have made the basic job of managing the money supply far more difficult. The Latin American debts have greatly expanded the Federal Reserve's role in a particularly fast-moving and demanding kind of diplomacy. Among its other responsibilities, the Fed is one of the regulators of the banking system, which draws it deeply into the fierce struggle over the banking legislation now before Congress.

Having created a Federal Reserve Board that is very new to most of these issues, the administration cannot do much about it but let time and education take their course. When it begins to think about filling that vacant seat, it might want to consider, for the sake of balance, looking for a matriarch.

— THE WASHINGTON POST

Segovia Was Here

"Anyone who desires to survive into vigorous old age," Donald Henahan, music critic of The New York Times, wrote last year, "can improve his chance dramatically by arranging to be born with extraordinary talent as a musical performer." Andrés Segovia, like Pablo Casals and Arthur Schnitzler, made such an arrangement. When he died this week at 94, he was watching television with his 17-year-old son — and perhaps wondering when he could reschedule the Carnegie Hall appearance he had to cancel last month.

He said once that he wanted to redeem the guitar from flamenco, create a repertoire and public and win for it "a respected place in the great music schools along with the piano, the violin and other concert instruments." He

did all that and more. There are millions who might not have been introduced to Bach and Scarlatti, Haydn and Mozart if they had not first been introduced to Segovia.

They met him when they were young, hanging out not at concerts but in beatnik coffee houses and college dormitories. They listened to the intricate, delicate, powerful recordings and dreamed of capturing the sound on their own guitars, and they shushed anyone who dared speak or crumple a paper. The famous "Segovia hush" embraced the dorm room as surely as it did the concert hall. Today one can hear street musicians playing Bach. "Ah," the listener says to herself, "Segovia was here."

— THE NEW YORK TIMES

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The World Wants Reassurance in Venice

By Kjell-Olof Feldt

The writer is Swedish minister of finance.

STOCKHOLM — The leaders of the seven largest industrial democracies gathered in Venice this weekend amid growing uncertainty about the outlook for the world economy. Their communiqué is likely to contain reassurances that the industrial economies will be doing reasonably well in terms of growth and inflation in the next year or two, and that governments have things firmly under control. But we all know that the economic outlook is exceedingly uncertain.

The world can see on a daily basis how markets remain unimpressed by government declarations, and impose their own solutions. There is an obvious gap between governments' words and deeds. Especially, the drift into protectionism which can be seen in a number of countries is taken as a sign that governments do not believe that present economic policies will work.

Interestingly enough, there seems to be a higher degree of consensus than we have seen in a long time on the facts and their implications for the broad direction of economic policy. Everybody seems to agree:

- that a central problem is how to reduce the present large imbalances between major countries in ways that strengthen rather than weaken world economic growth;

- that the correction of external imbalances should be brought about more by differences in demand growth between countries than by further exchange rate changes;

- that fiscal policy must assume a major responsibility when it comes to producing the desired differences in domestic demand expansion;

- that economic policies, monetary as well as fiscal, need to be closely coordinated.

This degree of common understanding is considerable progress in itself. It is in striking contrast with the situation only a few years ago, when policy coordination and active use of fiscal policy were strongly resisted by influential countries.

Today's disagreements seem to center more on the degree of action needed and on the distribution of responsibilities between the major actors. Unfortunately, there is a tendency to try to shift the main burden of responsibility onto somebody else.

The trend toward mutual recrimination across the Atlantic and the Pacific must be turned around.

I am convinced that it will not be possible to stabilize exchange rates at current levels unless further substantial adjustments are undertaken in

domestic economic policies in the major countries. Such adjustments are becoming more urgent in view of weakened growth prospects, particularly in Japan and West Germany.

In the United States, determined action to reduce the fiscal deficit is of overriding importance. A fundamental problem lies in the fact that the administration, while committed to substantial deficit reduction, needs to negotiate such reductions with Congress. If in such negotiations the choice were to be between raising taxes and continuing to live with a large deficit, the administration seems inclined to choose the latter.

This creates fundamental uncertainty about future fiscal consolidation. Policy action is needed to help reduce or eliminate this uncertainty.

In the Federal Republic, activity has slowed considerably and prospects have had to be revised downward. All the same, authorities appear unwilling to make a clear-cut commitment that if this week development were to continue, they would stimulate domestic demand beyond what is already in the pipeline in the form of tax cuts. Such a commitment would in present circumstances have a very positive effect on confidence and investment.

In Japan, the difficulties in getting the budget through the Diet have created considerable uncertainty. Signals from the government seem contradictory. Stimulative packages are signaled, but continued fiscal consolidation is stressed. Again, this makes it hard to interpret policy intentions. Clearer signals are needed from the Japanese government of its willingness to expand domestic demand substantially, along with more precise information on concrete measures.

The credibility of economic policy in Japan and West Germany would not suffer from an announced willingness to stimulate domestic demand on a larger scale than hitherto contemplated. On the contrary, such policy action would encourage real confidence in the determination of governments to bring about a policy adjustment and resist further changes in exchange rates.

Genuine multilateralism, with a sense of collective responsibility, must be the guiding principle. People all over the world are looking with growing impatience for concrete steps that lead the world economy back to a path of steady growth. Let us hope that such steps will be taken at the Venice summit.

International Herald Tribune

Gorbachev: Toward a Face-Lift for the Soviet Bloc

By Flora Lewis

MOSCOW — One of the ironies of Mikhail Gorbachev's "openness" and "restructuring" program is the impact on the Soviet bloc. The regime that the Red Army installed in Czechoslovakia in 1968 to put an end to Prague's version of social reforms now has cool relations with Moscow's leader. So do the East German and Bulgarian regimes, not to speak of Romania, which is so Stalinist that it is scarcely in the same generation.

The public in East Germany and Czechoslovakia, on the other hand, has shown considerable enthusiasm for Mr. Gorbachev's ideas, which is an important reason why their leaders are not pleased. People in both countries flock to buy the official Soviet press, for the first time, and the East German party paper Neues Deutschland occasionally censors the passages on glasnost in Mr. Gorbachev's speeches.

When he was in East Berlin last week, he was treated as just another participant in the Warsaw Pact summit meeting, not the great leader of the camp. The regime that the Red Army threatened in Poland in 1981, until martial law was declared, is now General Secretary Gorbachev's closest friend in the bloc. Hungary is also cheering him on. He offers more room for its domestic reforms and better prospects for reconciling its people.

So there is a new kind of diversity in East Europe — an relations with Moscow. Obviously, the Soviet leader would prefer more support. But he has declared that there is no longer any "center" in the bloc, that each member is equally autonomous to

work out its problems in its own way, although big brother is certainly still biggest.

It is not only "new thinking," in the Soviet jargon, that restrains the Soviet leader from pressing the others to reform. The last thing he would like to see is upheaval in the camp. It would probably bring his downfall, so it is not in his interest to push too hard. The Hungarian revolution in 1956, and the Polish defiance that preceded it, were in large part a result of Nikita Khrushchev's attempt to bring more modest reforms in the Soviet Union, although he never urged the others to follow him.

But Mr. Gorbachev clearly would like to revive some kind of world Communist forum. Since the break with China in the 1950s, Moscow has never been able to convene a worldwide meeting of Communist parties. It has not even been able to get all the European parties together since the East Berlin summit meeting in 1975, where Santiago Carrillo of Spain said to Leonid Brezhnev's face, "Moscow is not our Rome, and October is not our Christmas."

Said a Polish diplomat in Moscow: "It's an anomaly. The Socialists, the Christian Democrats, the Liberals, they all have international meetings. Only the Communists can't." In a recent interview with the Italian Communist paper L'Unità, Mr. Gorbachev said he saw "no reason for the caution" of some Communist parties toward reviving the

tradition of meetings. This was a clear gibe at the Italians, who are wary of an appearance of renewed subjection to Moscow. They took the position that any conference should include Socialists, Social Democrats and liberation movements.

Mr. Gorbachev seemed to go along, calling for bringing together all kinds of "progressives," with a demand for preventing nuclear war to be "their core, their pivot." He said representatives of various parties would be invited to Moscow for the 70th anniversary of the Bolshevik Revolution this year, and that he would propose "an informal meeting for extensive discussion of the key issues that concern the whole world . . . without any document whatsoever and without any summing up of results."

East European diplomats consider this a test to see if a more formal conference is feasible, and they doubt it. Some West European diplomats see it as a basis, reminiscent of the 1930s Soviet collaboration with non-Communist leftist parties in Europe.

All this is part of the longer-term effort to restore Soviet prestige and appeal by improving the country's living standards and its reputation abroad.

Refurbishing the ideology and recapturing the allegiance of "progressives" is an integral part of Mr. Gorbachev's campaign. As he told the Italians, the "bourgeois press" is all wrong if it thinks he is out for Western-style democracy. That is not just to reassure worried comrades. He means it.

The New York Times

Peres: Out on a Limb Hawking a Peace Conference

By Dominique Moisi

PARIS — Abba Eban thinks the time is ripe for another Middle East conference. In a column on this page on May 25, the former Israeli foreign minister argued that conditions are optimal for a negotiation that he sees as the only alternative to a disastrous and explosive deadlock.

Mr. Eban is right to want to break the deadlock, and also in his conviction that no durable solution can exclude the Soviet Union. But it is far from clear that conditions for a breakthrough are as good as he describes — that a window of opportunity justifies Foreign Minister Shimon Peres's bold reliance on an international peace conference.

Electoral considerations are indeed involved, but the sincerity of Mr. Peres's desire to break the present deadlock should not be doubted. He believes that in the long run nothing would be more detrimental to Israel's democratic institutions and security than continuation of the status quo in the occupied territories.

But since 1979 and the signing of the Camp David agreements, which

brought about a cold but stable peace between Israel and Egypt, the road to peace in the Middle East has resembled a graveyard of aborted peace plans. What if Mr. Peres were on the verge of committing political suicide?

When the process that led to Camp David was daringly launched in 1977 by President Anwar Sadat, crucial conditions were present that do not exist today. An Arab country wanted peace and was willing and able to take risks for it; Israel was ready to negotiate; a superpower, the United States, was determined to commit itself to sustaining the process. What is more, Egypt and Israel had strong leadership — and, on this issue, did America.

None of those conditions exist today. In particular, America's view of the Middle East has been "Europeanized." There is a now widespread feeling in Washington, based on cynicism and lassitude, that some problems just don't have solutions. In addition, Americans are wary of getting burned again after Lebanon and Iran.

Immersed in arms control negotiations with the Soviets and already in a pre-election climate, the United States will do little more than give benign support to Mr. Peres's initiatives. At the most, the more so since members of the administration resent the return of the Soviet Union as a Middle East player. Increasingly, the United States tends to look at the Middle East as an area of vulnerability, not as one of opportunity.

Can the Soviet Union replace America as a moving force? The Iranian war and the deadlock on the Israeli-Palestinian question have been competently used by the Soviet Union to return to the region as a diplomatic actor that matters. But Moscow is not in a position to deliver peace.

The recent meeting of the Palestine National Council in Algiers was a hollow Soviet victory. Moscow succeeded in imposing unity on the PLO, but the price was a defeat for moderation. In any case, the Middle East is

clearly not a priority for the Kremlin. Is the regional context more favorable than the international one? Egypt longs for peace, but there are no other Egyptians in the Arab world.

However great King Hussein's personal courage, he heads a vulnerable state; he cannot commit Jordan to peace alone, in the way Egypt committed itself. Syria, despite its economic weakness, difficulties in Lebanon and reduced margin of diplomatic maneuver, remains a stumbling block on the way to peace. The Palestinians are deeply weakened by the loss of a military base in Lebanon. There is no serious alternative to the PLO, but it is realistically an interlocutor, given its deep divisions and lack of ability.

Israel, beyond its political divisions, is a country united by fear. The extreme right cultivates an ideological, religious, sometimes racist vision of history and wants to keep all the occupied territories; the extreme left wants to return the territories at almost any price. But most Israelis are deeply torn as to the nature of their security. In the absence of a charismatic leader who could give a sense of direction, they are condemned to cling to the status quo as the best of all options.

Israelis have a serious problem of political leadership. Small Israel had a great statesman, David Ben-Gurion. "Great" Israel has known only two politicians. Israel's young elites tend to go into business, given the unattractiveness of Israeli party politics.

All this is deeply worrying for a country whose right to exist is still contested. The acceleration of tower building in the Israeli landscape looks like a symptom of escapism.

In the Middle East, opportunities for peace are so rare that they must be seized. But if noble concerns are based on false assumptions or wishful thinking, the price of failure would be the defeat of peace seekers in Israel. It would be a tragic irony of history if Mr. Peres's dedication to peace were to serve the ambitions of Ariel Sharon.

The writer is associate director of the Institut Français des Relations Internationales. He contributed this comment to the International Herald Tribune.

Soviet-Israeli Relations Are Overdue

By Gideon Rafael

The writer is a former director-general of the Israel Foreign Ministry. He served as permanent representative to the United Nations and as ambassador to a number of countries, and is the author of "Destination Peace: Three Decades of Israeli Foreign Policy."

JERUSALEM — Syria's President Hafez al-Assad recently revisited Moscow after an interval of two years. The pomp was the same but the circumstances were different. Mikhail Gorbachev tried to impress on him a need to cooperate with the Soviet Union's Middle East policy, model 1987. The policy had not changed in its essentials, but it had shifted its emphasis on a number of points. Mr. Assad was urged to drop the idea of a military solution of the Arab-Israeli conflict, invited to endorse the Soviet concept of an international Middle East conference and asked to restore unity in the Arab camp.

To make his admonitions more palatable, Mr. Gorbachev accompanied him with the standard Soviet abuse of Israel and an assurance of Soviet solidarity with the Arab refusal to recognize the conquest of their lands.

To modify Israel and its friends, he reiterated Moscow's recognition of Israel's right to peace and to a secure existence, and admitted that "the absence of diplomatic relations with it cannot be considered normal." But he hastened to add, to allay Arab fear of imminent resumption of those relations, that "the reason the relations were severed was Israel's aggression against Arab countries."

After the 1967 war, Moscow and its Arab allies made every effort to induce the United Nations to brand Israel as the aggressor. They failed, first in the Security Council and then in the protracted debates of a specially convened General Assembly. Yet Moscow continued to defame Israel as the aggressor. As long as the Soviet government upholds its false allegations, its professions of supporting a peaceful settlement remain doubtful and its diplomatic moves suspect.

In 1948 the Soviet Union voiced for the first time a strong protest against the use of force in the Arab-Israeli conflict. At a meeting of the Security

Council on May 29, Andrei Gromyko, then the Soviet representative at the United Nations and now head of state, accused "the Arab states of having organized the invasion of Palestine and flouted the decisions of the Council, designed to put an end to the warfare." It was the start of an Arab war against Israel that has gone on now for nearly 40 years.

Despite condemning the Arab aggression, Moscow failed to break relations with any Arab state. Five years later, in the waning days of Stalin, when Israel protested strongly against monstrous anti-Semitic allegations arising from the so-called doctors' plot, Moscow severed relations with the Jewish state. Three months after Stalin's death, the Soviet government restored them on its own initiative.

At the Geneva peace conference convened under the auspices of the United States and the Soviet Union in December 1973, Mr. Gromyko, then foreign minister, raised in a talk with Foreign Minister Abba Eban the subject of the restoration of the relations severed in 1967. He said it would be possible if there was "important progress" at the Geneva conference.

Israel concluded with Egypt and Syria, which had launched and lost the 1973 war, agreements on military disengagement and the redeployment of forces, as a prelude to an eventual peaceful settlement. This was apparently not considered by the Soviet Union an "important" step.

Not, later, did it approve the signing of a peace treaty between Egypt and

Israel. It denigrated the treaty at the time. And Mr. Gorbachev's recent statement reaffirmed that the "Soviet Union will oppose in the future, as in the past, any separate deal."

Glasnost has not yet reached the stage of admitting past errors of Soviet foreign policy in the Middle East, let alone correcting them.

That policy, by its one-sided support of Israel's adversaries, contributed to perpetuation of the conflict and of instability in a region which, as the Soviet Union constantly stresses, affects its security because of its proximity to its southern borders.

The Soviet record of promoting peace in the Middle East is not impressive. It does not show a single constructive contribution to the establishment of Arab-Israeli peace. On the contrary, for more than 30 years a succession of Soviet governments have fueled the Arab war machines and bellicose attitudes with an uninterrupted flow of arms, provoking the outbreak of a chain of wars, none of them ending in Arab victory.

If General Secretary Gorbachev was prompted by this realization to warn President Assad that "the reliance on military force has completely lost its credibility as a way of solving the Middle East conflict," then logically the Soviet government should make substantive changes in the conduct of its policy in the Middle East.

As an urgent step it should redress the imbalance of its relationship with the states in the region. Not only is the absence of relations with Israel not normal, as Mr. Gorbachev said, but their rupture was unjustifiable. No country has behaved likewise in regard to the Soviet Union when it engages in highly controversial and deeply deplored military actions.

Diplomatic relations, as Churchill once said, are not a favor to be granted but a convenience to be used.

International Herald Tribune

Americans Learn From Thatcher

By David S. Broder

WASHINGTON — For the last eight years, Britain and the United States have been traveling parallel political paths under Margaret Thatcher and Ronald Reagan. Republicans are watching Thursday's British elections for clues to their best tactics in the 1988 elections. If Mrs. Thatcher's Conservatives win their expected third term, you can expect the Republicans to adopt her themes of growth, ownership and national pride in 1988.

Republican National Chairman Frank J. Fahrenkopf Jr. went to London to observe last month's round of local elections and met his Tory party counterpart, Norman Tebbit, in the week when Mrs. Thatcher decided to call national elections. At Mr. Tebbit's invitation, a Fahrenkopf aide has been sitting in on the final week of pre-election maneuvering.

The close cooperation is not new. In 1979, the Republican chairman, Bill Brock, sent operatives to London to study the advertising themes and issues that the Tories used to reclaim power. Strong echoes of the "Labor isn't Working" theme turned up in Mr. Reagan's 1980 campaign, which weaned millions of working families, frustrated by stagnation, away from their normal Democratic loyalties.

Four years later, Fahrenkopf aides watched as Mrs. Thatcher rode the euphoria and patriotic pride of her Falklands victory to an even more convincing second term. It was said at the time that Mr. Reagan had no comparable military credentials. But then came Grenada, and suddenly the Republican admen proclaimed that America was back and standing tall.

This year again, differences seem more striking than similarities. The Conservatives have Mrs. Thatcher at their head, and she is, although controversial, untainted by serious scandal. Republicans have a lame duck president damaged by the Iran-contra affair and are uncertain who will lead them into the 1988 election.

Mrs. Thatcher faces divided opposition, in Labor and the Liberal-Social Democratic Alliance, and the pre-election polls make her party the favorite to retain its parliamentary majority. In Washington, the Republicans no longer control either house of Congress and the early surveys suggest, however shakily, that Democrats may hold the favorable role for 1988.

"I'm not sure we can take comfort if she wins," Mr. Fahrenkopf remarked. "But her campaign certainly is helpful in understanding how voters react to certain facts and certain appeals."

The main theme is economic growth without inflation. The Conservative manifesto says Britain is in the seventh successive year of steady economic growth. "We have moved from the bottom to the top of the growth league of major European powers . . . Since the Conservatives took office, productivity in British manufacturing has grown faster than in any other major industrialized country."

In the week the Tories' manifesto appeared, the Republican National Committee issued a "special edition" of one of its publications, asserting that "America is in the midst of a period of unparalleled economic progress and job growth . . . We've created more than 13 million new jobs."

Prosperity is a traditional boast of parties in power. But if the American economy remains healthy into 1988, you will certainly hear the Republicans taking credit for it. Of greater interest to the party is Mr. Thatcher's effort to redefine and realign the traditional class basis of British politics.

She has used every tool to make the average family think of itself as owning a piece of the nation's future. Tories claim there are 2.5 million more home-owning families than in 1979, a million of them former tenants of public housing who were aided in buying the units they occupied. The number of stockholders has tripled, many of the new capitalists being employees of formerly nationalized industries now returned to private ownership.

Pre-election polls showed Tories winning among working class voters who had become home-owners and stockholders. If those gains are confirmed on Thursday, you can expect to see a similar effort in America, with Republican candidates arguing that the tax cuts and investment incentives of the Reagan years have given many more families "a share in America."

For all the current preoccupation in Washington with the Iran-contra hearings, history suggests that basic economic issues are likely to count more heavily at election time. Democrats, like Mrs. Thatcher's opponents, assert that conservative policies have damaged the standing of the middle class. But if Mrs. Thatcher wins the argument on her side of the Atlantic, the Republicans will

Canada Plans Ambitious Buildup of Its Military

The Associated Press
OTTAWA — Canada, declaring its armed forces in danger of "rust out" after decades of neglect, announced Friday an ambitious military buildup, including the acquisition of 10 to 12 nuclear-powered submarines.

A white paper introduced in Parliament by Defense Minister Perrin Beatty also said Canada would cancel its "unsustainable commitment" to send a brigade and two fighter squadrons to Norway in wartime.

The 5,000 troops will be deployed in an emergency with Canada's main NATO force of 6,900 in West Germany, Mr. Beatty said.

The 90-page document pledged a minimum real growth of 2 percent in military spending over the next 15 years — a pledge valued at \$136 billion — with additional sums for special programs, such as the nuclear submarines.

General Paul Manson, chief of the defense staff, said the military got everything it wanted in the nation's first comprehensive military review in 16 years.

The plan calls for creation of a "three-ocean navy" with a balance between nuclear-powered submarines, surface vessels and patrol aircraft.

The submarines, estimated to cost \$300 million to \$375 million each, would be delivered from 1996 to 2010, Mr. Manson said.

Military officials have said that French Rubis-class and British Trafalgar-class subs are the leading contenders but that about 65 percent of the work would be done in Canada.

The white paper also disclosed plans to develop new sonar systems for under-ice surveillance in the Arctic, and research into space surveillance against missile attack.

Canada will establish its first military base in the High Arctic, and increase its armed forces reserves from 51,000 to 90,000.

The nuclear submarines would carry conventional weapons in line with Canada's nonnuclear policy, but only nuclear propulsion will enable them to patrol under the ice for long periods.

The document stressed a Soviet military threat in the north and U.S. refusal to acknowledge Canada's claim to sovereignty over the Northwest Passage.



The descendants of Robert E. Peary and Matthew Henson laying a wreath on Wednesday at Admiral Peary's gravesite in Arlington National Cemetery in Virginia. Dr. S. Allen Coulter, to the right of the wreath, organized the event.

PEARY: For Descendants of North Pole Explorers, a Long Trek From Home

(Continued from Page 1)

main, a loyal and competent assistant, originally hired as a servant, but he rose above that," Dr. Coulter described Mr. Henson as the "co-discoverer" of the North Pole.

Dr. Coulter said that Mr. Henson, who was

single when he fathered Ahnaukaq, shared his secret with close friends. Both men saw their children on a subsequent expedition, but thereafter never wrote or maintained contact, Dr. Coulter said. Karree Peary said he had never been in contact with his father's family.

In contrast to the mixed reaction from other

Peary descendants, members of the Henson family have been uniformly enthusiastic about the visit, Dr. Coulter said. Some American relatives of Mr. Henson were on hand in Arlington on Wednesday, but none of Mr. Peary's American descendants were present as Karree Peary laid a wreath at his father's grave.

MISSILES: U.S. Is Reported to Weigh Raids Against Missiles in Iran

(Continued from Page 1)

time before the missiles could target vessels passing through the Strait of Hormuz, which is 30 miles (50 kilometers) wide at its narrowest point.

The United States plans to put 11 Kuwaiti tankers under the American flag, and these tankers, plus their escorting U.S. warships, could be easy marks for the missiles, sources said.

The missile is credited with a range of 50 miles and a warhead that carries the equivalent of 1,100 pounds (500 kilograms) of TNT. The warhead of the Exocet missile that disabled the U.S. frigate Stark on May 17 carried the equivalent of 350 pounds of TNT.

There is still some debate within the intelligence community on how many missiles Iran has bought from China, sources said. The rough estimate, they said, is that at least one will be ready around July

and three or four more could be deployed later. Sources said the scenes debate within the administration was swirling around four main scenarios, each with advocates in the White House, Pentagon and State Department.

Warn Iran through diplomatic channels not to deploy the missile, and hold off on any U.S. military action while Tehran weighs the request.

Prepare a pre-emptive strike by bombers or U.S. Navy guns and unleash it as soon as there is evidence that the ground-based, mobile missile is deployed against shipping in the Gulf.

Allow the missile to become operational, on the theory that Iran has the right to deploy the missile as a combatant in the Iran-Iraq war, but plan to attack it at the first sign it is about to be fired at a ship flying the U.S. flag.

Hold back from any pre-emptive action and rely on electronic jamming and other countermeasures, including putting up false targets and destroying the missile in flight. Navy weapons specialists have been discussing countermeasures with industry experts, according to industry sources.

One question threatening the administration debate, officials said, is whether the United States would violate international law by launching a pre-emptive strike against the missiles.

One interpretation, sources said, is that such a strike would be in the nature of self-defense while another is that it would amount to an Iranian attack on a U.S. ship. The United States is attacking a sovereign power at the time the Reagan administration is declaring itself neutral in the Iran-Iraq war.

Robert B. Sims, the assistant secretary of defense for public affairs, answered "absolutely" when asked at his news briefing this week whether the United States would be living up to its neutrality pledge once it starts escorting tankers operated by Kuwait, a country that has supported Iran in the war.

"The fact is," he said, "Kuwait is not a belligerent in the war. The war is between Iran and Iraq. The Kuwaitis asked for protection for these 11 tankers. We agreed to do that. They asked that they be reflagged. That's in the process of happening."

He said the ships, once they carry the U.S. flag, would be entitled to protection like any other ship "that's under the U.S. flag, and they'll be paying U.S. taxes."

2 Senators Discuss a Raid

Two senators who recently returned from the Gulf said Friday that the United States might have

The Long and Short of Burundi's Woes

Black Majority Tribe Is Dominated by Black Minority

By James Brooke
New York Times Staff Writer

BUJUMBURA, Burundi — There is a land in Africa where an ethnic minority relies on rigged elections, press censorship, police violence and bans on public meetings to stave off majority rule.

The ruling minority bristles at external pressure — whether from Pope John Paul II, Western governments or foreign journalists. Officials complain that their country is a victim of an "international disinformation campaign."

Small, landlocked and lacking strategic minerals, Burundi is little known to the outside world. Diplomats here suggest another reason for its relative obscurity: Burundi's ethnic drama is not played out in black and white.

In anatomical shorthand, Burundi's tall people dominate Burundi's short people.

The ruling minority are Tutsis, descendants of herdsmen from northern Africa. They account for 15 percent of the country's five million inhabitants.

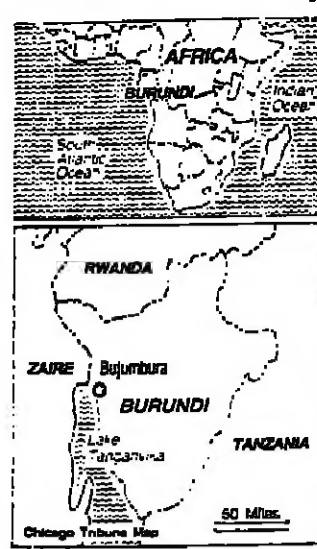
The ruled majority, Hutus, are generally peasant farmers of southern African Bantu stock, who account for 85 percent of the population.

In July, Burundi will mark 25 years of independence from Belgium — and 25 years of Tutsi rule. Burundi's president, three-quarters of his cabinet, three-quarters of the National Assembly, about two-thirds of the university students, 13 of 15 provincial governors, all the army officers and 96 percent of the enlisted soldiers are Tutsis.

Officials reject an ethnic analysis of their nation.

"It could happen that there is more of one ethnic group than another, but that should disappear," said Emile Mwaroha, secretary-general of Burundi's sole political party, in an interview. "We don't believe in ethnic labels. If you are a Hutu, if you are Tutsi, what is important is you are Burundi."

Defenders note that the government has abolished ethnic labels on



have grown steadily harsher over the last decade. The government has confiscated the Catholic radio station, shut down the Catholic youth movement, prohibited religious gatherings without prior approval and banned shamans, Burundi's rural, grass-roots prayer and Bible discussion meetings.

The authorities have also strictly limited the hours when Mass can be said, banned crucifixes from public places and, in some areas, banned the ringing of church bells during the work week.

The government nationalized a nationwide system of Catholic primary and secondary schools. In the last year, it nationalized six of eight Catholic seminaries and closed a network of Catholic literacy groups, which taught 300,000 children and adults.

The government has cut the number of foreign missionaries to 143 today from 686 in 1979. Largely by not renewing visas, it has reduced the number of American missionaries to seven from about 200 five years ago.

In April, the interior minister, Lieutenant Colonel Charles Kazatsa, abolished all Catholic parish councils and forbade Burundi's 3,000 Catholic lay catechists from preaching, reading the Bible or giving communion in churches.

Since Burundi now has only 60 nuns and 107 priests — including three in jail — the vast majority of Burundi's 1,144 Catholic parishes are expected to become defunct.

This program, Mr. Mwaroha said, is aimed at "liquidating the last vestiges of colonialism."

The government's hostility to the church does not seem to be shared by the populace.

Churches are packed on Sundays. Western diplomats say they do not know of any cases of peasants demanding the expulsion of missionary doctors or of student groups demanding the nationalization of their schools.

Burundi church officials declined to be interviewed.

GULF: U.S. Military Chief Says Navy Can Guard Ships

(Continued from Page 1)

lease additional oil tankers from Kuwait that would be operated under the Soviet flag if the United States reneges on its agreement to take half the Kuwait-owned tanker fleet under the U.S. flag, it has been learned.

The Soviet agreement, signed April 1, grew out of arrangements worked out in December with Kuwaiti officials in Moscow. It was the prime reason the Reagan administration, initially reluctant, accepted Kuwait's request to protect 11 tankers against Iranian attack, according to Western diplomats.

The agreement forced Washington either to accept Kuwait's maneuver aimed at involving the United States directly in the Gulf, run the risk of allowing Moscow a virtual free hand in the Gulf, which had previously been dominated by the West, or work in tandem with Moscow.

The previously publicized part of the Kuwaiti-Soviet agreement called for Kuwait to charter three tankers to the Soviet Union on a renewable one-year lease.

But the agreement, a copy of which was obtained, also stipulates that the Kuwait Oil Tanker Co. may lease to the Soviet Union "two more" such tankers "at short notice."

The deal also enables Kuwait to lease to Moscow an unspecified number of additional tankers "to be rechartered to the Kuwaiti side thereafter whenever the government of Kuwait so requests."

Implementation of such leasing arrangements "shall be agreed upon as soon as the Kuwaiti side expresses their desire," the agreement said. That allows Kuwait to turn swiftly to Moscow if the United States refuses to honor its commitment to register half of Kuwait's tanker fleet as U.S. shipping.

The Iraqi missile attack May 17 on the Stark, in which 37 American sailors were killed, has prompted congressional hearings on the "reflagging" operation.

Despite the superpower protection that reflagging would afford to Kuwaiti shipping, Western diplomats are convinced that Kuwait's real purpose is to involve Moscow and Washington more deeply in efforts to end the war between Iran and Iraq.

The Kuwaiti government contends that the superpowers could stop the conflict, although others have expressed doubts.

Such political considerations, rather than the damage suffered by Kuwaiti shipping, would help explain why Kuwait sought superpower protection in a major departure from its traditional neutralist foreign policy, diplomats said.

Kuwait has, however, supported Iraq in the Gulf war. Since Baghdad initiated the so-called tanker war more than three years ago in an unsuccessful effort to curb Iranian oil exports, seven Kuwait-owned tankers have been hit by Iran.

Moreover, oil-trading sources in Kuwait questioned whether the superpowers could provide the protection Kuwait has sought for its oil exports. The sources suggested that the tankers to be transferred to U.S. registration could handle no more than 30 percent of Kuwait's crude oil exports.

"The Iranians have plenty of other targets," a Western diplomat said, noting that most of Kuwait's crude oil and petroleum product

exports leave Kuwait either in Kuwait-chartered foreign tankers or ships chartered by its overseas customers.

Kuwait and other Arab countries of the Gulf are so dependent on food imports that Iranian attacks on cargo ships could have a devastating impact on their economies. Following an Iranian attack on the Corriale Express on April 15, for

example, thousands of sheep on board were lost and the price of mutton rose so sharply that the Kuwaiti government intervened.

If the U.S.-flagged tankers handle as much as 30 percent of Kuwait's crude exports, the sources said, they would be assigned the shuttle run between Kuwait and Khawr Fakkan, outside the Strait of Hormuz in the Gulf of Oman.

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Denmark	D.Kr.	2,500	1,400	770
Finland	F.M.	1,750	950	520
France	F.F.	1,000	600	450
Germany	D.M.	580	320	175
Greece	E.	130	75	40
Ireland	E.	22,000	12,000	6,600
Italy	Lire	380,000	210,000	115,000
Japan	Y.	17,500	9,500	5,200
Netherlands	fl.	650	350	195
Norway	N.Kr.	1,800	950	540
Portugal	Esc.	22,000	12,000	6,600
Spain	Pes.	29,000	16,000	8,800
Sweden	Skr.	1,800	950	540
Switzerland	Sfr.	510	280	154
Rest of Europe, North Africa, former French Africa, Middle East	\$	450	250	125
Rest of Africa, Gulf States, Asia	\$	500	300	175

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REAGAN: In Venice, President Seeks to Repair Image

(Continued from Page 1)

close to reaching an agreement to dismantle hundreds of nuclear missiles in Europe and Asia that is "very much in our interest and on our terms," The Associated Press reported from Venice.

"We're not there yet, of course; some hard questions remain," Mr. Reagan said in a televised address broadcast to Europe by the U.S. Information Agency. "But the prospects are good."

The speech was a further indication that Mr. Reagan is laying the groundwork for an endorsement of the disarmament plan for medium-range and short-range missiles at the summit meeting.

The president taped the speech at the country villa where he is staying outside Venice. It was relayed by satellite back to Washington and then broadcast throughout Europe.

Mr. Reagan, noting that he had been the target of peace demonstrators in Europe, said: "How I wanted to let them know that my heart was with them, that I too yearned for a day when mankind could live free of the terror of nuclear annihilation. But the task wasn't as easy as simply signing a treaty."

He said that he had to make sure a treaty was verifiable and would reduce arms while not letting either

side be outmaneuvered and vulnerable. While touting the proposed U.S.-Soviet agreement, Mr. Reagan noted that it would have a cost.

"Indeed, given the Soviet superiority in chemical and conventional weapons, he said, "we must improve our conventional defense capabilities, difficult and expensive as that might be."

Mr. Reagan pledged: "The United States will not waiver in our commitment to the defense of Europe. We will sustain the credibility of NATO's doctrine of flexible response, which has served us well and remains the center" of North Atlantic Treaty Organization strategy.

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(Continued From Back Page)

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Herald Tribune BUSINESS/FINANCE

ECONOMIC SCENE

The Marshall Plan: Would The Effort Be Made Today?

By LEONARD SILK
New York Times Service
NEW YORK — A few days before President Ronald Reagan took off for Venice this week, he spoke in the East Room of the White House in honor of the memory of George C. Marshall on the 40th anniversary of the Marshall Plan. On June 5, 1947, Marshall, then the secretary of state, gave the commencement address at Harvard University, offering U.S. help for the reconstruction of war-scarred Europe. "Our policy," he said, "is not directed against any country or doctrine but against hunger, poverty, desperation and chaos."

ICI to Buy Stauffer Chemical

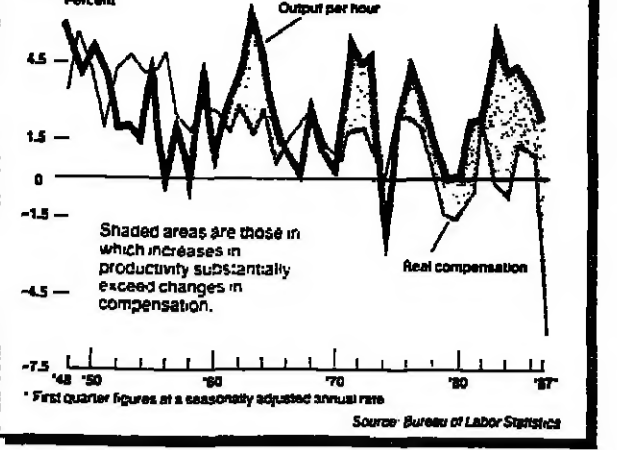
Unilever to Get \$1.69 Billion
By Warren Getler
International Herald Tribune
LONDON — Imperial Chemical Industries PLC said Friday that it had agreed to buy the Stauffer Chemical Co. subsidiary of Unilever PLC, the food and chemical giant, for \$1.69 billion.

Wages of Productivity: Pretty Low

Many in U.S. Find That Working Harder Pays Less
By Louis Uchitelle
New York Times Service
LAWTON, Oklahoma — It used to take Gary Adair four hours or more to retread the computerized machines that assemble tires so they could make ones of a different size.

U.S. Jobless Rate Steadies at 6.3% After April Drop

The Associated Press
WASHINGTON — The U.S. unemployment rate remained at the decade's low of 6.3 percent in May for the second consecutive month, the government said Friday.



Claiming German Support, Europeans Fight Japan Car Inflow

By Jacques Neher
Special to the Herald Tribune
PARIS — Europe's auto manufacturers, faced with a sharp upturn in Japanese exports to the Common Market, have begun pushing the Community for a tough political response.

Reagan appeared to be making up for McCarthy's assault on the general as a virtual traitor.

As long as the budgetary pie was expanding, they note, it was possible to put together a coalition in Congress to support foreign aid. Now, however, with the drive on to chop the deficit as a major cause of America's international trade and growth problems, the foreign-aid coalition has broken down. Congress cut the administration's aid request last year by 23 percent, and resources for the next few years are not likely to be more plentiful.

Avon to Sell 40% of Japan Subsidiary

NEW YORK — Avon Products said Friday that its board had approved plans for an initial public offering to Japanese investors of up to 40 percent of its Japanese beauty products subsidiary.

Airbus Program For 2 Jets Gets Formal Launch

PARIS — The four-nation Airbus consortium formally launched a program Friday to build a new generation of airliners that it hopes will break the hold of U.S. manufacturers on the long-haul market.

Currency Rates

Cross Rates	June 5
American dollar	1.0000
British pound	1.6450
French franc	6.5596
German mark	1.3636
Italian lira	2036.27
Japanese yen	163.60
Swiss franc	1.4835
Spanish peseta	166.64
U.S. dollar	1.0000

Warrant Issued for Broker Who Flew After VW Fraud

By Ferdinand Protzman
International Herald Tribune
FRANKFURT — The West German authorities have issued an international arrest warrant for Joachim Schmidt, a former foreign exchange broker suspected of masterminding the currency trading scandal at Volkswagen AG, a police spokesman confirmed Friday.

Interest Rates

Key Money Rates	June 5
1 month	5.75%
3 months	6.00%
6 months	6.25%
1 year	6.50%

What the Germans say in private they cannot always say publicly, but I can tell you they are equally committed.

— European lobbyist
Despite the steady gains made by the Japanese car makers, the European industry has been divided on how to respond. Renault SA and Peugeot SA of France and Fiat SpA of Italy have pushed for community-wide protectionist actions, while the West German manufacturers have been unwilling to challenge their government's free-trade stance.

Gold

U.S. Money Market Funds	June 5
Mutual Shares	1.0000
Money Market	1.0000
Short-Term	1.0000
Long-Term	1.0000

U.S. Money Market Funds

Key Money Rates	June 5
1 month	5.75%
3 months	6.00%
6 months	6.25%
1 year	6.50%

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High	Low						High	Low			

High Low Stock	Div. 1	Div. 2	Div. 3	Div. 4	Div. 5	Div. 6	Div. 7	Div. 8	Div. 9	Div. 10	Div. 11	Div. 12	Div. 13	Div. 14	Div. 15	Div. 16	Div. 17	Div. 18	Div. 19	Div. 20	Div. 21	Div. 22	Div. 23	Div. 24	Div. 25	Div. 26	Div. 27	Div. 28	Div. 29	Div. 30	Div. 31	Div. 32	Div. 33	Div. 34	Div. 35	Div. 36	Div. 37	Div. 38	Div. 39	Div. 40	Div. 41	Div. 42	Div. 43	Div. 44	Div. 45	Div. 46	Div. 47	Div. 48	Div. 49	Div. 50	Div. 51	Div. 52	Div. 53	Div. 54	Div. 55	Div. 56	Div. 57	Div. 58	Div. 59	Div. 60	Div. 61	Div. 62	Div. 63	Div. 64	Div. 65	Div. 66	Div. 67	Div. 68	Div. 69	Div. 70	Div. 71	Div. 72	Div. 73	Div. 74	Div. 75	Div. 76	Div. 77	Div. 78	Div. 79	Div. 80	Div. 81	Div. 82	Div. 83	Div. 84	Div. 85	Div. 86	Div. 87	Div. 88	Div. 89	Div. 90	Div. 91	Div. 92	Div. 93	Div. 94	Div. 95	Div. 96	Div. 97	Div. 98	Div. 99	Div. 100	Div. 101	Div. 102	Div. 103	Div. 104	Div. 105	Div. 106	Div. 107	Div. 108	Div. 109	Div. 110	Div. 111	Div. 112	Div. 113	Div. 114	Div. 115	Div. 116	Div. 117	Div. 118	Div. 119	Div. 120	Div. 121	Div. 122	Div. 123	Div. 124	Div. 125	Div. 126	Div. 127	Div. 128	Div. 129	Div. 130	Div. 131	Div. 132	Div. 133	Div. 134	Div. 135	Div. 136	Div. 137	Div. 138	Div. 139	Div. 140	Div. 141	Div. 142	Div. 143	Div. 144	Div. 145	Div. 146	Div. 147	Div. 148	Div. 149	Div. 150	Div. 151	Div. 152	Div. 153	Div. 154	Div. 155	Div. 156	Div. 157	Div. 158	Div. 159	Div. 160	Div. 161	Div. 162	Div. 163	Div. 164	Div. 165	Div. 166	Div. 167	Div. 168	Div. 169	Div. 170	Div. 171	Div. 172	Div. 173	Div. 174	Div. 175	Div. 176	Div. 177	Div. 178	Div. 179	Div. 180	Div. 181	Div. 182	Div. 183	Div. 184	Div. 185	Div. 186	Div. 187	Div. 188	Div. 189	Div. 190	Div. 191	Div. 192	Div. 193	Div. 194	Div. 195	Div. 196	Div. 197	Div. 198	Div. 199	Div. 200	Div. 201	Div. 202	Div. 203	Div. 204	Div. 205	Div. 206	Div. 207	Div. 208	Div. 209	Div. 210	Div. 211	Div. 212	Div. 213	Div. 214	Div. 215	Div. 216	Div. 217	Div. 218	Div. 219	Div. 220	Div. 221	Div. 222	Div. 223	Div. 224	Div. 225	Div. 226	Div. 227	Div. 228	Div. 229	Div. 230	Div. 231	Div. 232	Div. 233	Div. 234	Div. 235	Div. 236	Div. 237	Div. 238	Div. 239	Div. 240	Div. 241	Div. 242	Div. 243	Div. 244	Div. 245	Div. 246	Div. 247	Div. 248	Div. 249	Div. 250	Div. 251	Div. 252	Div. 253	Div. 254	Div. 255	Div. 256	Div. 257	Div. 258	Div. 259	Div. 260	Div. 261	Div. 262	Div. 263	Div. 264	Div. 265	Div. 266	Div. 267	Div. 268	Div. 269	Div. 270	Div. 271	Div. 272	Div. 273	Div. 274	Div. 275	Div. 276	Div. 277	Div. 278	Div. 279	Div. 280	Div. 281	Div. 282	Div. 283	Div. 284	Div. 285	Div. 286	Div. 287	Div. 288	Div. 289	Div. 290	Div. 291	Div. 292	Div. 293	Div. 294	Div. 295	Div. 296	Div. 297	Div. 298	Div. 299	Div. 300	Div. 301	Div. 302	Div. 303	Div. 304	Div. 305	Div. 306	Div. 307	Div. 308	Div. 309	Div. 310	Div. 311	Div. 312	Div. 313	Div. 314	Div. 315	Div. 316	Div. 317	Div. 318	Div. 319	Div. 320	Div. 321	Div. 322	Div. 323	Div. 324	Div. 325	Div. 326	Div. 327	Div. 328	Div. 329	Div. 330	Div. 331	Div. 332	Div. 333	Div. 334	Div. 335	Div. 336	Div. 337	Div. 338	Div. 339	Div. 340	Div. 341	Div. 342	Div. 343	Div. 344	Div. 345	Div. 346	Div. 347	Div. 348	Div. 349	Div. 350	Div. 351	Div. 352	Div. 353	Div. 354	Div. 355	Div. 356	Div. 357	Div. 358	Div. 359	Div. 360	Div. 361	Div. 362	Div. 363	Div. 364	Div. 365	Div. 366	Div. 367	Div. 368	Div. 369	Div. 370	Div. 371	Div. 372	Div. 373	Div. 374	Div. 375	Div. 376	Div. 377	Div. 378	Div. 379	Div. 380	Div. 381	Div. 382	Div. 383	Div. 384	Div. 385	Div. 386	Div. 387	Div. 388	Div. 389	Div. 390	Div. 391	Div. 392	Div. 393	Div. 394	Div. 395	Div. 396	Div. 397	Div. 398	Div. 399	Div. 400	Div. 401	Div. 402	Div. 403	Div. 404	Div. 405	Div. 406	Div. 407	Div. 408	Div. 409	Div. 410	Div. 411	Div. 412	Div. 413	Div. 414	Div. 415	Div. 416	Div. 417	Div. 418	Div. 419	Div. 420	Div. 421	Div. 422	Div. 423	Div. 424	Div. 425	Div. 426	Div. 427	Div. 428	Div. 429	Div. 430	Div. 431	Div. 432	Div. 433	Div. 434	Div. 435	Div. 436	Div. 437	Div. 438	Div. 439	Div. 440	Div. 441	Div. 442	Div. 443	Div. 444	Div. 445	Div. 446	Div. 447	Div. 448	Div. 449	Div. 450	Div. 451	Div. 452	Div. 453	Div. 454	Div. 455	Div. 456	Div. 457	Div. 458	Div. 459	Div. 460	Div. 461	Div. 462	Div. 463	Div. 464	Div. 465	Div. 466	Div. 467	Div. 468	Div. 469	Div. 470	Div. 471	Div. 472	Div. 473	Div. 474	Div. 475	Div. 476	Div. 477	Div. 478	Div. 479	Div. 480	Div. 481	Div. 482	Div. 483	Div. 484	Div. 485	Div. 486	Div. 487	Div. 488	Div. 489	Div. 490	Div. 491	Div. 492	Div. 493	Div. 494	Div. 495	Div. 496	Div. 497	Div. 498	Div. 499	Div. 500	Div. 501	Div. 502	Div. 503	Div. 504	Div. 505	Div. 506	Div. 507	Div. 508	Div. 509	Div. 510	Div. 511	Div. 512	Div. 513	Div. 514	Div. 515	Div. 516	Div. 517	Div. 518	Div. 519	Div. 520	Div. 521	Div. 522	Div. 523	Div. 524	Div. 525	Div. 526	Div. 527	Div. 528	Div. 529	Div. 530	Div. 531	Div. 532	Div. 533	Div. 534	Div. 535	Div. 536	Div. 537	Div. 538	Div. 539	Div. 540	Div. 541	Div. 542	Div. 543	Div. 544	Div. 545	Div. 546	Div. 547	Div. 548	Div. 549	Div. 550	Div. 551	Div. 552	Div. 553	Div. 554	Div. 555	Div. 556	Div. 557	Div. 558	Div. 559	Div. 560	Div. 561	Div. 562	Div. 563	Div. 564	Div. 565	Div. 566	Div. 567	Div. 568	Div. 569	Div. 570	Div. 571	Div. 572	Div. 573	Div. 574	Div. 575	Div. 576	Div. 577	Div. 578	Div. 579	Div. 580	Div. 581	Div. 582	Div. 583	Div. 584	Div. 585	Div. 586	Div. 587	Div. 588	Div. 589	Div. 590	Div. 591	Div. 592	Div. 593	Div. 594	Div. 595	Div. 596	Div. 597	Div. 598	Div. 599	Div. 600	Div. 601	Div. 602	Div. 603	Div. 604	Div. 605	Div. 606	Div. 607	Div. 608	Div. 609	Div. 610	Div. 611	Div. 612	Div. 613	Div. 614	Div. 615	Div. 616	Div. 617	Div. 618	Div. 619	Div. 620	Div. 621	Div. 622	Div. 623	Div. 624	Div. 625	Div. 626	Div. 627	Div. 628	Div. 629	Div. 630	Div. 631	Div. 632	Div. 633	Div. 634	Div. 635	Div. 636	Div. 637	Div. 638	Div. 639	Div. 640	Div. 641	Div. 642	Div. 643	Div. 644	Div. 645	Div. 646	Div. 647	Div. 648	Div. 649	Div. 650	Div. 651	Div. 652	Div. 653	Div. 654	Div. 655	Div. 656	Div. 657	Div. 658	Div. 659	Div. 660	Div. 661	Div. 662	Div. 663	Div. 664	Div. 665	Div. 666	Div. 667	Div. 668	Div. 669	Div. 670	Div. 671	Div. 672	Div. 673	Div. 674	Div. 675	Div. 676	Div. 677	Div. 678	Div. 679	Div. 680	Div. 681	Div. 682	Div. 683	Div. 684	Div. 685	Div. 686	Div. 687	Div. 688	Div. 689	Div. 690	Div. 691	Div. 692	Div. 693	Div. 694	Div. 695	Div. 696	Div. 697	Div. 698	Div. 699	Div. 700	Div. 701	Div. 702	Div. 703	Div. 704	Div. 705	Div. 706	Div. 707	Div. 708	Div. 709	Div. 710	Div. 711	Div. 712	Div. 713	Div. 714	Div. 715	Div. 716	Div. 717	Div. 718	Div. 719	Div. 720	Div. 721	Div. 722	Div. 723	Div. 724	Div. 725	Div. 726	Div. 727	Div. 728	Div. 729	Div. 730	Div. 731	Div. 732	Div. 733	Div. 734	Div. 735	Div. 736	Div. 737	Div. 738	Div. 739	Div. 740	Div. 741	Div. 742	Div. 743	Div. 744	Div. 745	Div. 746	Div. 747	Div. 748	Div. 749	Div. 750	Div. 751	Div. 752	Div. 753	Div. 754	Div. 755	Div. 756	Div. 757	Div. 758	Div. 759	Div. 760	Div. 761	Div. 762	Div. 763	Div. 764	Div. 765	Div. 766	Div. 767	Div. 768	Div. 769	Div. 770	Div. 771	Div. 772	Div. 773	Div. 774	Div. 775	Div. 776	Div. 777	Div. 778	Div. 779	Div. 780	Div. 781	Div. 782	Div. 783	Div. 784	Div. 785	Div. 786	Div. 787	Div. 788	Div. 789	Div. 790	Div. 791	Div. 792	Div. 793	Div. 794	Div. 795	Div. 796	Div. 797	Div. 798	Div. 799	Div. 800	Div. 801	Div. 802	Div. 803	Div. 804	Div. 805	Div. 806	Div. 807	Div. 808	Div. 809	Div. 810	Div. 811	Div. 812	Div. 813	Div. 814	Div. 815	Div. 816	Div. 817	Div. 818	Div. 819	Div. 820	Div. 821	Div. 822	Div. 823	Div. 824	Div. 825	Div. 826	Div. 827	Div. 828	Div. 829	Div. 830	Div. 831	Div. 832	Div. 833	Div. 834	Div. 835	Div. 836	Div. 837	Div. 838	Div. 839	Div. 840	Div. 841	Div. 842	Div. 843	Div. 844	Div. 845	Div. 846	Div. 847	Div. 848	Div. 849	Div. 850	Div. 851	Div. 852	Div. 853	Div. 854	Div. 855	Div. 856	Div. 857	Div. 858	Div. 859	Div. 860	Div. 861	Div. 862	Div. 863	Div. 864	Div. 865	Div. 866	Div. 867	Div. 868	Div. 869	Div. 870	Div. 871	Div. 872	Div. 873	Div. 874	Div. 875	Div. 876	Div. 877	Div. 878	Div. 879	Div. 880	Div. 881	Div. 882	Div. 883	Div. 884	Div. 885	Div. 886	Div. 887	Div. 888	Div. 889	Div. 890	Div. 891	Div. 892	Div. 893	Div. 894	Div. 895	Div. 896	Div. 897	Div. 898	Div. 899	Div. 900	Div. 901	Div. 902	Div. 903	Div. 904	Div. 905	Div. 906	Div. 907	Div. 908	Div. 909	Div. 910	Div. 911	Div. 912	Div. 913	Div. 914	Div. 915	Div. 916	Div. 917	Div. 918	Div. 919	Div. 920	Div. 921	Div. 922	Div. 923	Div. 924	Div. 925	Div. 926	Div. 927	Div. 928	Div. 929	Div. 930	Div. 931	Div. 932	Div. 933	Div. 934	Div. 935	Div. 936	Div. 937	Div. 938	Div. 939	Div. 940	Div. 941	Div. 942	Div. 943	Div. 944	Div. 945	Div. 946	Div. 947	Div. 948	Div. 949	Div. 950	Div. 951	Div. 952	Div. 953	Div. 954	Div. 955	Div. 956	Div. 957	Div. 958	Div. 959	Div. 960	Div. 961	Div. 962	Div. 963	Div. 964	Div. 965	Div. 966	Div. 967	Div. 968	Div. 969	Div. 970	Div. 971	Div. 972	Div. 973	Div. 974	Div. 975	Div. 976	Div. 977	Div. 978	Div. 979	Div. 980	Div. 981	Div. 982	Div. 983	Div. 984	Div. 985	Div. 986	Div. 987	Div. 988	Div. 989	Div. 990	Div. 991	Div. 992	Div. 993	Div. 994	Div. 995	Div. 996	Div. 997	Div. 998	Div. 999	Div. 1000
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Low	Stock	Div. Yld. PE	100s High Low	Good. Ch ge
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Low	Stock	DIV	Yld	P/E	100-100		
Bd	Holnt pf	6.25	6.7	12	104	103	103
						32 1/4	32 1/4 + 1/8

15%	Mark of	1.20	5.0	38	24%	24%	24%	—
27%	Marrlot	.16	.4	27	1908	39%	39%	39%
54	MarshMc	2.40	1.9	17	487	61%	61%	—

Rank	Name	Age	Height	Weight	Time	Points	Notes
1	Marrin	22	172	137	14.5	45	
2	Walt	22	172	137	14.5	45	
3	Walt	22	172	137	14.5	45	
4	Walt	22	172	137	14.5	45	
5	Walt	22	172	137	14.5	45	
6	Walt	22	172	137	14.5	45	
7	Walt	22	172	137	14.5	45	
8	Walt	22	172	137	14.5	45	
9	Walt	22	172	137	14.5	45	
10	Walt	22	172	137	14.5	45	
11	Walt	22	172	137	14.5	45	
12	Walt	22	172	137	14.5	45	
13	Walt	22	172	137	14.5	45	
14	Walt	22	172	137	14.5	45	
15	Walt	22	172	137	14.5	45	
16	Walt	22	172	137	14.5	45	
17	Walt	22	172	137	14.5	45	
18	Walt	22	172	137	14.5	45	
19	Walt	22	172	137	14.5	45	
20	Walt	22	172	137	14.5	45	
21	Walt	22	172	137	14.5	45	
22	Walt	22	172	137	14.5	45	
23	Walt	22	172	137	14.5	45	
24	Walt	22	172	137	14.5	45	
25	Walt	22	172	137	14.5	45	
26	Walt	22	172	137	14.5	45	
27	Walt	22	172	137	14.5	45	
28	Walt	22	172	137	14.5	45	
29	Walt	22	172	137	14.5	45	
30	Walt	22	172	137	14.5	45	
31	Walt	22	172	137	14.5	45	
32	Walt	22	172	137	14.5	45	
33	Walt	22	172	137	14.5	45	
34	Walt	22	172	137	14.5	45	
35	Walt	22	172	137	14.5	45	
36	Walt	22	172	137	14.5	45	
37	Walt	22	172	137	14.5	45	
38	Walt	22	172	137	14.5	45	
39	Walt	22	172	137	14.5	45	
40	Walt	22	172	137	14.5	45	
41	Walt	22	172	137	14.5	45	
42	Walt	22	172	137	14.5	45	
43	Walt	22	172	137	14.5	45	
44	Walt	22	172	137	14.5	45	
45	Walt	22	172	137	14.5	45	
46	Walt	22	172	137	14.5	45	
47	Walt	22	172	137	14.5	45	
48	Walt	22	172	137	14.5	45	
49	Walt	22	172	137	14.5	45	
50	Walt	22	172	137	14.5	45	
51	Walt	22	172	137	14.5	45	
52	Walt	22	172	137	14.5	45	
53	Walt	22	172	137	14.5	45	
54	Walt	22	172	137	14.5	45	
55	Walt	22	172	137	14.5	45	
56	Walt	22	172	137	14.5	45	
57	Walt	22	172	137	14.5	45	
58	Walt	22	172	137	14.5	45	
59	Walt	22	172	137	14.5	45	
60	Walt	22	172	137	14.5	45	
61	Walt	22	172	137	14.5	45	
62	Walt	22	172	137	14.5	45	
63	Walt	22	172	137	14.5	45	
64	Walt	22	172	137	14.5	45	
65	Walt	22	172	137	14.5	45	

2839	GAF	.16	2	21	525	30	494	494	—	56
30	GATX	1.50	3.8	15	215	394	394	394	—	56
35	GCA				238	104	84	104	+	55

1 + 1

23%	14	NAFCO	200	54	16	68	16%	1614	1614
			200	54	16	68	16%	1614	1614

[illegible]

	HRE	HolFB	Holbm
180	7.4	13	31
23%	23%	23%	23%
13%	13%	13%	13%
2014	35%	35%	35%

81%	20 1/2	Lomas	2.44	10.7	10	99	23	22%	22%	—	W
72%	27 1/2	LnStar	1.90	5.4	5	196	35 1/2	35%	35%	—	W
73%	8 1/2	LILCo			6	2651	9 1/2	8%	9		
76	18	LILCo				1300	7 1/2	7 1/2	7 1/2		

28 3/4	28%	Oklage	2.18	6.9	12	706	31 3/4	31 3/4	31 3/4	+
33 1/2	38 1/4	Olin	1.60	3.1	16	1128	51 3/4	51 1/4	51 3/4	+
9 1/2	6%	Omnigra				92	9 1/4	8 3/4	9 1/4	+

[illegible]

CURRENCY MARKETS

Dollar Mixed in Thin N.Y. Trading

NEW YORK — The dollar closed mixed Friday in New York in extremely light trading, with market participants reluctant to take new positions ahead of the economic summit meeting that begins Monday in Venice.

"The market was essentially closed at 8:30 this morning and we haven't done anything since," a trader with a Chicago bank said. "Nothing has happened at all."

The dollar closed at 1.8180 Deutsche marks in New York, down slightly from 1.8185 DM on Thursday, at 143.95 yen, down from 144.40; at 0.081 French francs, up from 0.080; and at 1.508 Swiss francs, unchanged.

The British pound closed at \$1.6295, up from Thursday's close of \$1.6280.

The trader said that the market was at a standstill awaiting the outcome of the Venice meeting of seven industrialized nations, the British general elections Thursday and a report on the U.S. merchandise trade deficit due Friday.

London Dollar Rates

Currency	Rate
Deutsche mark	1.8180
Swiss franc	1.5080
French franc	0.0810
Japanese yen	143.95

"If nothing comes out of the summit, some dollar selling could follow," the trader said. "However, if they don't sell off right after the summit, the dollar could get a momentary boost."

Finance Minister Kiichi Miyazawa of Japan has said that he does not believe the summit meeting will produce anything new on currency and debt issues.

The market reacted only briefly to the release of U.S. employment data for May, dealers said. The government said that the jobs rate remained at the decade's low of 6.3 percent in May for the second consecutive month.

But central banks have underlined their desire for stability by coordinating their intervention and

Shanghai Opens Money Market

BEIJING — Shanghai has opened its first money market, the China Daily said Friday. It quoted Zhao Zishi, vice president of the Shanghai branch of the People's Bank of China, as saying the market involves more than 70 local banks and other financial institutions.

The market will be open every Thursday, conducting business on other days through tele-cable and letter. It will handle interbank loans, stock exchange, and foreign currency adjustment for enterprises with foreign investment.

Shanghai is trying to establish itself as an Asian financial center. Last year it opened China's first stock market, and it has been active in international bond markets. Beijing and five other Chinese cities already have money markets.

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WAGES: U.S. Factories Stop Rewarding Workers for Productivity Gains

(Continued from first finance page)

As of March, 38 percent of union workers had such protection, down from 56.7 percent in 1985.

Union officials say they will challenge any further attempts to eliminate cost-of-living agreements. But many acknowledge that they have little hope of winning wage increases that come close to reflecting the gains now being achieved in productivity, which measures a factory's output for each hour of work.

One key reason is that the power of unions has substantially declined as companies have automated their operations, closed factories and slashed their work forces. Major unions represent only 6.4 million workers today, a decline of 36 percent from 10 million in the 1970s, when wage settlements were often considered inflationary.

Because they are weaker, the big unions are no longer able to set national wage patterns, as they did for decades.

To keep plants from closing and to save jobs, scores of their local units have been negotiating special amendments to national contracts

that reduce labor costs at individual factories. These deals have weakened unions' bargaining power.

In place of healthy wage increases, union officials are increasingly demanding more job security as the reward for higher productivity. But with the exception of the auto industry, manufacturers acknowledge that they are stopping short of formal guarantees.

"There are plenty of assurances along the line that if you work hard and make sacrifices, you'll keep your job," said John Zalusky, an AFL-CIO economist. "I think it is really disheartening how often that pledge has been broken."

Nonunion workers, such as those at Goodyear's Lawton plant, also feel strongly about job security. "It is more important than money," said Mr. Adair, who earns \$14 an hour. "I am convinced that if the tire market collapses, Lawton will be the last plant to shut down. That is what keeps me going. The big increases will come someday."

That will occur only when manufacturing employment stops shrinking, which might not occur soon, said Sar Levitan, a labor

economist at George Washington University.

Although it is hard to imagine workers' wages in the United States falling to the levels in Brazil or South Korea, some American executives seem determined to close the gap. "Until we get real wage levels down much closer to those of the Brazils and Koreans," said Stanley J. Mihelick, Goodyear's executive vice president for production, "we cannot pass along productivity gains to wages and still be competitive."

Tens of thousands of factory workers are quickly discovering that no matter how much they give, the pressure on them to increase productivity and to lower labor costs is not diminishing. Nobody knows this better than the 600 workers at Westinghouse Electric Corp.'s plant in Muncie, Indiana, which makes giant electric transformers.

The plant's productivity is up sharply. Its work force has been cut by 1,000 and many of the transformers, which are sold to utilities, can be built in 20 weeks instead of the 26 it took in the early 1980s.

With the introduction of automated machinery and changes in work

rules, the plant can now operate at capacity with 800 people, half the number needed in the 1970s, said Russell E. Hanna, the plant's personnel manager.

But the productivity gains have not paid off in higher revenue. Able to generate more electricity than Americans need, electric companies are buying only replacement transformers. So the Muncie factory is operating at 49 percent capacity and prices are still at 1970 levels.

Losing money and threatening to shut the plant, Westinghouse won a wage freeze last year from Local 917 of the International Union of Electronic, Electrical, Salaried Machine and Furniture Workers.

The union also agreed to a three-year wage scale. Under the new structure, existing workers receive \$8 to \$14.70 an hour, while workers recalled from layoffs receive \$3 an hour less and new hires receive \$5 an hour less. The discrepancies are to disappear after five to seven years — if the plant is still open.

Said Jaycee Lewis, president of Local 917, "Only time will tell whether the sacrifice has been worth it."

Friday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

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IBM	125.00	AT&T	45.00
GE	35.00	Westinghouse	25.00
Boeing	75.00	Rockwell	40.00
McDonald's	18.00	Wendy's	15.00
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Wal-Mart	32.00	Wal-Mart	30.00
Wal-Mart	35.00	Wal-Mart	32.00
Wal-Mart	38.00	Wal-Mart	35.00
Wal-Mart	40.00	Wal-Mart	38.00
Wal-Mart	42.00	Wal-Mart	40.00
Wal-Mart	45.00	Wal-Mart	42.00
Wal-Mart	48.00	Wal-Mart	45.00
Wal-Mart	50.00	Wal-Mart	48.00
Wal-Mart	52.00	Wal-Mart	50.00
Wal-Mart	55.00	Wal-Mart	52.00
Wal-Mart	58.00	Wal-Mart	55.00
Wal-Mart	60.00	Wal-Mart	58.00
Wal-Mart	62.00	Wal-Mart	60.00
Wal-Mart	65.00	Wal-Mart	62.00
Wal-Mart	68.00	Wal-Mart	65.00
Wal-Mart	70.00	Wal-Mart	68.00
Wal-Mart	72.00	Wal-Mart	70.00
Wal-Mart	75.00	Wal-Mart	72.00
Wal-Mart	78.00	Wal-Mart	75.00
Wal-Mart	80.00	Wal-Mart	78.00
Wal-Mart	82.00	Wal-Mart	80.00
Wal-Mart	85.00	Wal-Mart	82.00
Wal-Mart	88.00	Wal-Mart	85.00
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Wal-Mart	65.00	Wal-Mart	62.00
Wal-Mart	68.00	Wal-Mart	65.00
Wal-Mart	70.00	Wal-Mart	68.00
Wal-Mart	72.00	Wal-Mart	70.00
Wal-Mart	75.00	Wal-Mart	72.00
Wal-Mart	78.00	Wal-Mart	75.00
Wal-Mart	80.00	Wal-Mart	78.00
Wal-Mart	82.00	Wal-Mart	80.00
Wal-Mart	85.00	Wal-Mart	82.00
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SPORTS

Lakers Down Celtics To Lead Series, 2-0

By Roy S. Johnson
New York Times Service
INGLEWOOD, California — "Sweep! Sweep! Sweep!" The words became a rhythmic chant at the Forum Thursday night as the Los Angeles Lakers devastated the Boston Celtics for the second consecutive game in the National Basketball Association championship series.

The Lakers inspired that hopeful cheer as they continued to make a mockery of the defending champion Celtics. This time, it was a 141-122 exhibition of overall brilliance that left the Celtics feeling even more dejected than they did after their 13-point loss in the opening game on Tuesday.

Thursday night, it was less of the stars of Game 1 — James Worthy had 23 points, and Earvin (Magic) Johnson had 22 points and 20 assists — but more of everyone else.

Especially Michael Cooper, the Lakers' dangerous sixth man. Noted as a defensive specialist, the 6-foot-7 (2-meter) guard unveiled an even more effective 3-point shot. Cooper nailed 6 of his 7 attempts from beyond the circle to spark the rout. He finished with 21 points and 9 assists.

"Cooper broke our backs," the Celtics' Larry Bird said. "Add 24 points from Byron Scott, the Lakers' often forgotten guard, and 23 from Kareem Abdul-Jabbar. The other Lakers regulars filled in the gaps to take the 2-0 lead in the best-of-seven series."

"Our offense was our best defense," Coach Pat Riley said. "I'm very frustrated," said Bird, who led the Celtics with 23 points. "All I know is, when we're up two games to none, we think we've got it won."

Perhaps. But even after the Lakers' stellar performance, Riley reminded his players that the next three games — if all are necessary — would be played in Boston Garden, where the Celtics have been nearly unbeatable in the past four years.

"They will be fueled by Boston Garden," Riley said. "As cliché as it may be, we have to take this one game at a time. I'm not speaking cautiously; that's what I believe. 'We blew out Houston last year, then lost four straight.'"

It was actually a contest for awhile, primarily because of one adjustment made by K.C. Jones, the Celtics' coach.

Instead of guarding Johnson with Johnson — Earvin with Dennis — he placed Danny Ainge, who is more rested than his older teammate, on the Lakers' playmaker and instructed him to track Johnson all over the court.

That stalled the Lakers' running game, but it didn't hamper their effectiveness.

They led by only 38-36 just into the second period, but that was when Riley countered by calling upon one of the other versatile Lakers to guide the team's running game.

"That's the difference between this team and the Lakers a couple of years ago," said Dennis Johnson, who had 20 points and 9 assists. "Before, only Magic would bring it up. Now anyone can."

Finally Cooper. He scored 9 points and passed for 8 assists during the second period as the Lakers methodically increased their margin to 19 points, at 75-56.

Los Angeles converted 15 of its first 21 shots in the second period. For the game, their five starters plus Cooper combined to hit 53 of their 75 attempts, or 74 percent.

The Lakers led by as many as 22 points and weren't threatened. The Celtics staggered back to 101-87, with 2 minutes 18 seconds left in the third period after their longest run of the game, 6 points.

But their momentum was dashed when Cooper nailed his fifth 3-pointer and helped the Lakers gain a 107-92 cushion going into the final period.



Robert Parish goes up against Kareem Abdul-Jabbar.

Alysheba the Favorite In Bid For Triple Crown

By Steven Crist
New York Times Service

ELMONT, N.Y. — Alysheba was named out of his final workout Thursday morning, then drew post No. 4 in a field of 10 and was installed as the favorite to become racing's 12th Triple Crown winner by winning the Belmont Stakes Saturday.

There were no surprises among the Belmont entries, and the draw for post positions, largely irrelevant in a mile-and-a-half race, was uneventful. Alysheba's rivals are the LeRoy Jolley-trained entry of Gulch and Leo Castelli; the Woody Stephens-trained entry of Conquistador and Gene West; and also Bet Twice, Cryptoclearance, Avies Copy, Shawditi Won and Manassa Jack.

Stephens has trained the last five Belmont winners: Conquistador, Cielo, Cavest, Swale, Creme Fraiche and Danzig Connection. Heavy rain Thursday morning moved the Belmont track to slop and Alysheba's exercise to a light jog instead of a scheduled half-mile workout. Weather forecasts call for clear skies and a fast track Saturday. Conquistador is expected to be scratched unless the track is wet.

Alysheba is a son of Alydar, and will be bidding to become the first Triple Crown winner since Affirmed, who narrowly beat Alydar in each of the three races in 1978. Alysheba is the first horse to win both the Kentucky Derby and the Preakness since 1981, when Pleasant Colony won the Derby and the Preakness but failed to win the crown by finishing third in the Belmont.

Alysheba, purchased for \$500,000 as a yearling by the Clarence Schachtel family of Midland, Texas, is trained by Jack Van Berg. The bay-colored colt won just one of his first nine starts but turned around after undergoing throat surgery in March and finished first in his next three races.

The colt's spotty early record, and his slow running times — his

Derby was the slowest in 13 years, his Preakness the slowest in 12 years — have made him one of the most highly regarded Triple Crown aspirants ever. He could become the first Derby and Preakness winner to go off at odds of higher than 7-5 in the Belmont.

Further doubt surrounds the colt's bid because he won the Derby and Preakness while using Lasix, a diuretic prescribed to prevent bleeding that often improves overall performance. Horses are not permitted to run with Lasix at New York tracks.

Still, Alysheba has faced every horse in the race except Gene West and Manassa Jack and beat them all in the Derby, the Preakness or both. His strong finishes suggest he will handle the Belmont route, while many of his rivals may have trouble at the distance.

Gone West was held out of the Derby and the Preakness to prep for the Belmont and could pose the greatest threat to the favorite. The son of Mr. Prospector and Secretariat has been carefully handled by Stephens. Gone West finished second to Leo Castelli in the Peter Pan Stakes May 24 but carried 12.5 pounds more than the winner and was very wide turning for home. Stephens used the race as a training move, ordering the front-runner taken back early to help build his stamina.

The Belmont purse is \$533,600 if all 10 start, but Alysheba would earn \$5 million for sweeping the Triple Crown under a complex series of new bonuses that includes a \$1 million prize for the colt who compiles the best overall record in the series. If Alysheba finishes third or worse, Bet Twice could win that bonus with a victory.

If Alysheba does not start or does not finish the race, Bet Twice, Avies Copy, Cryptoclearance and Gulch could all share in the bonus. The Belmont is the centerpiece of an outstanding racing program Sunday. There are five other stakes races on the card, three of them featuring major runners.

'A Good Race' Ends Streak For Moses

The Associated Press

MADRID — It had been almost 10 years since Edwin Moses had lost a 400-meter hurdles event, but he said he wasn't upset at his losing race.

"I ran a good race and the guy that beat me is 10 years younger and ran the race of his life," Moses said Thursday night after fellow American Danny Harris beat him in the world record holder.

"It's very early in the season for me to be running in Europe. I'm not as sharp as I would be normally. This is one of my best times for so early in the season. I'm not disappointed at all with the race I ran."

Moses' streak was the longest in the history of a running event. The two-time Olympic gold medalist won his last race when West Germany's Harald Schmid beat him on Aug. 26, 1977, in West Berlin.

Iolanda Balaos of Romania holds the record for most consecutive victories in track and field history. She won 180 times in a row in high-jumping competition in the 1950s and 60s.

Harris, 21, won in a career-best 47.56 seconds, 13 ahead of the 31-year-old Moses. Another American, Nat Page, finished third in 50.12.

"He's still a great hurdler," Steve Lynn, Harris' coach, said. "When Edwin won in 1976, Danny was in third grade. It's phenomenal that he's competed at that level for so long."

Moses, who holds the record at 47.02, had won 107 consecutive fin-



Edwin Moses

Lendl, Wilander Advance to Final

United Press International

PARIS — Ivan Lendl of Czechoslovakia and Mats Wilander of Sweden scored straight-set victories Friday to reach the final of the French Open tennis championships.

Lendl, top-seeded and the defending champion, thwarted his compatriot, fifth-seeded Miloslav Meccir, to win, 6-3, 6-3, 7-6 (7-3).

FRENCH OPEN TENNIS

and reach the final on the clay courts of Roland Garros Stadium for the fourth consecutive time.

Fourth-seeded Wilander served hard and made few mistakes to eliminate Boris Becker of West Germany, the second seed, 6-4, 6-1, 6-2, for his 17th consecutive match victory.

The Lendl-Wilander final Sunday is a rematch of the 1985 final. Wilander won that year in four sets. Lendl defeated Mikhail Pernfors of Sweden in last year's final.

Lendl, who pounded Meccir in the U.S. Open final last year and beat him again in straight sets in the final at Hamburg, West Germany, last month, said he took velocity off Meccir's shots by hitting mainly slices to the forehand. The

strategy kept Meccir from going to the net to launch his deceptive approach shots.

"I think the match was very tough, although it may not look like that from the score," said Lendl. "You have to go out on the court prepared to do a lot of running against him and we were on the court for nearly three hours."

It felt like I was doing wind sprints for three hours," Lendl, 27, said a victory at Roland Garros would compensate for what has been a disappointing season, his only victory coming at Hamburg.

Becker, 19, a two-time champion on the grass courts of Wimbledon, has yet to win a tournament on clay. He spent two months preparing on clay courts for the French Open.

Wilander, coming off victories at the Monte Carlo and Italian opens in the past six weeks, fell behind 4-2 in the first set and then won nine consecutive games. He dazzled Becker with an excellent first serve and almost flawless passing shots and lobbed Becker tried to go to the net.

Wilander won the 1982 French Open at the age of 17 against Guillermo Vilas of Argentina but lost



Mats Wilander on his way to defeating Boris Becker.

the final the next year to Yannick Noah of France. Lendl beat John McEnroe in the 1984 final for his first victory in a grand slam tournament.

The women's final between top-seeded Martina Navratilova of the United States and second-seeded Steffi Graf of West Germany will be played Saturday.



The Cubs' Shawn Dunston relays to first after forcing the Cardinals' Curt Ford at second.

Cox, Clark Lead Cardinals to Victory

United Press International

CHICAGO — Danny Cox combined with Todd Worrell on a seven-inning shutout to lead the St. Louis Cardinals to a 3-1 victory over the Chicago Cubs.

Jack Clark hit a two-run homer, his 16th of the season, in the first inning as the Cardinals opened a four-game series against the team chasing them in the National League East.

"When Cox is on, he's tough," Chicago's Andre Dawson said. "When he's struggling, you'll know it early. Today he got some things from the umpire. Some of them were out of the strike zone."

Cox struck out five and walked two over 7 1/2 innings, Cox, who is 3-0 against the Cubs this year, benefited from three St. Louis double plays. Worrell earned his 12th save. Just one day earlier, the Cubs scored 22 runs.

"When I saw they scored 22 runs the other day, I thought maybe I'd develop a sore arm or something," Cox said. "I was able to get ahead of the hitters. That's the key against this team. They get a guy on base and they can pop one out."

The Cardinals took a 2-0 lead in the first. Terry Pendleton lined a single to center and went to second on a wild pitch. Clark hit a 3-2 pitch into the center-field bleachers, off Greg Maddux.

"I made a mistake and it cost us the game," said Maddux. "I was hoping it wouldn't go out and would only be a double."

The Cubs cut the lead to 2-1 in the second. With two out, Manny

Trillo singled to center and went to third on Keith Moreland's single to right. Shawn Dunston followed with a single to left, scoring Trillo, who was thrown out trying to go to second.

Ryne Sandberg hit into three double plays in the game and Dawson struck out three times. Braves 8, Pirates 3: In Atlanta, Dale Murphy and Andres Thomas hit first-inning home runs to lead the Braves over Pittsburgh, 8-3.

BASEBALL ROUNDUP

Smith threw seven innings, holding the Pirates to three runs on six hits. Jeff Dedmon pitched the final two innings to earn his third save.

Expos 8, Padres 5: In Montreal, Vance Loford hit a sacrifice fly and Tim Wallach hit a three-run homer, lifting the Expos past San Diego. Loford broke a 4-4 tie in the sixth inning and Wallach added his seventh homer in the seventh, leading Montreal to its ninth victory in its last 11 games. San Diego has lost 10 of its last 11 games.

Royals 6, Mariners 1: In the American League, in Seattle, Best Sabersberger became the first 10-game winner in the major leagues this year. Sabersberger, who has lost only one game this season, overcame a shaky start in which he gave up a run on two hits and a walk in the first inning and went on to pitch Kansas City to victory at the Kingdome, a hitter's paradise. Sabersberger burst on the baseball scene in 1985 when he went 20-6 with a 2.87 earned run average and led the Royals to the World Series

championship. Last year, plagued by injuries, he went 7-12 with a 4.15 ERA.

Danny Tartabull, Steve Balboni and Kevin Seitzer hit home runs that backed Sabersberger. Tartabull, playing his first game in Seattle since the Mariners traded him to Kansas City during the winter, broke a 1-1 tie with a two-run homer in the sixth. "I wasn't out there for revenge. I was pumped up because they're right behind us," Tartabull said.

The Royals lead the American League West Division by two games over Minnesota. The Mariners, who have lost three in a row, are 2 1/2 games behind.

Red Sox 5, Tigers 5: In Boston, Wade Boggs went 3 for 5 to help the Red Sox defeat Detroit. Bruce Hurst allowed 11 hits, walked one and struck out six, including Kirk Gibson with the bases loaded to end the game.

Brewers 9, Yankees 3: In Milwaukee, Rob Deer hit two solo homers and Milwaukee scored seven runs in the fifth inning to defeat New York. Deer homered in the second and fourth against Jose Niekro. Greg Brock and Dale Sveum hit two-run doubles in the fifth, the biggest inning against the Yankees this season.

Angels 3, White Sox 2: In Anaheim, California, Wally Joyner's RBI single snapped a 2-2 tie in the eighth inning and lifted California over Chicago. Jose DeLeon held the Angels to just one hit for seven innings before Gary Pettit led off the eighth with an infield single.

SCOREBOARD

Baseball

Major League Standings

Team	W	L	Pct.	GB
New York	32	23	.582	—
Los Angeles	32	23	.582	—
San Francisco	31	24	.563	1 1/2
Philadelphia	30	25	.545	2 1/2
St. Louis	29	26	.524	3 1/2
Chicago	28	27	.510	4 1/2
San Diego	27	28	.491	5 1/2
Cleveland	27	28	.491	5 1/2

Thursday's Line Scores

Team	W	L	Pct.	GB
Los Angeles	32	23	.582	—
San Francisco	31	24	.563	1 1/2
Philadelphia	30	25	.545	2 1/2
St. Louis	29	26	.524	3 1/2
Chicago	28	27	.510	4 1/2
San Diego	27	28	.491	5 1/2
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Transition

BASEBALL
BALTIMORE — Released Terry Martinez, pitcher.
CHICAGO — Released Jeff Davis, pitcher; to Hawaii of the Pacific Coast League. Called up Scott Wilson, pitcher, from Hawaii.

CLEVELAND — Released Sammy Newburg, pitcher, and assigned him to Butte of the International League.
DETROIT — Released Bill Motlock, third baseman, Steve Stens, outfielder, and assigned him to Butte of the International League.

MINNESOTA — Released Marv Smith, outfielder, Charles James, first baseman, and Alvin Gilchrist, shortstop. Assigned Smith and James to Elizabethton of the Appalachian League and assigned Gilchrist to Vero of the California League. Called up Tim Germon, pitcher, from the San Diego Padres for Dave Wakley, pitcher, sent German to Portland of the Pacific Coast League.

NEW YORK — Released Jeff Irvin, pitcher, to Tidewater of the International League.
SAN FRANCISCO — Released Randy Beckus, pitcher, from Phoenix of the Pacific Coast League. Purchased Ivan Delmonico, infielder, from Louisville of the American Association.

BASKETBALL
National Basketball League
DALLAS — Released John MacLeod, coach.
MILWAUKEE — Released Del Harris, coach.
PORTLAND — Released Mike Stensmyer, trainer.

FOOTBALL
National Football League
HOUSTON — Released David Davis, wide receiver, Byron Johnson and James Johnson, linebackers, Earl Allen, cornerback, Keith Butler, defensive lineman, and Kevin Mauch, offensive tackle. Signed Cary Carson, quarterback.

L.A. RAMS — Agreed to terms with John Robinson, head coach, on a four-year contract. Named Paul (Tank) Younger administrative assistant-coordinator.
MIAMI — Released Don Benish, defensive tackle. Signed Steve Jacobson, defensive end; Arthur Williams, wide receiver; Bill Brasher, linebacker; and Steve Mink, punter.

PITTSBURGH — Released George Cline, defensive punter, waived Andrew Bader and Ed Coleman, wide receivers; Anthony Mosley and Paul Mosley, running backs; Mark Pilechik, center, and Lee Gatz, guard. Announced that John Smith, cornerback, will not be offered a contract.

Basketball

NBA Finals

Team	W	L	Pct.	GB
Los Angeles	32	23	.582	—
San Francisco	31	24	.563	1 1/2
Philadelphia	30	25	.545	2 1/2
St. Louis	29	26	.524	3 1/2
Chicago	28	27	.510	4 1/2
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Cleveland	27	28	.491	5 1/2

WOMEN'S DOUBLES
Semifinals
Steffi Graf, West Germany, and Gabriela Sabatini, Argentina, def. Jenny Byrne, Australia, and Kathy Rinaldi, U.S., 6-1, 6-4; Martina Navratilova and Pam Shriver, U.S., def. Claudia Kohde-Kirch, West Germany, and Helena Sukova, Czechoslovakia, 7-6 (7-5), 6-3.

MIXED DOUBLES
Semifinals
Pam Shriver, U.S., and Emilio Sanchez, Spain, def. Tina Schuermans, Belgium, and Michael Mortensen, Denmark, 3-6, 6-1, 6-1; Sherwood Stewart and Lori McNeil, U.S., def. Michael Schwaner, Netherlands, and Ann Harris, U.S., 6-4, 7-5.

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Semifinals
Pam Shriver, U.S., and Emilio Sanchez, Spain, def. Tina Schuermans, Belgium, and Michael Mortensen, Denmark, 3-6, 6-1, 6-1; Sherwood Stewart and Lori McNeil, U.S., def. Michael Schwaner, Netherlands, and Ann Harris, U.S., 6-4, 7-5.

Tennis

French Open

MEN'S SINGLES
Semifinals
Ivan Lendl, Czechoslovakia, def. Boris Becker, West Germany, 6-3, 6-3, 7-6 (7-3).
Mats Wilander, Sweden, def. Miloslav Meccir, Czechoslovakia, 6-4, 6-1, 6-2.

MEN'S DOUBLES
Semifinals
Gary Fay and Yannick Noah, France, def. Gary Donnelly and Peter Fleming, U.S., 6-4, 6-1, 6-1; Andrei Panatta and Robert Seguso, U.S., def. Jose Lopez-Moheno and Alberto Tomba, Spain, 6-4, 6-1, 6-1, 6-2, 6-3.

WOMEN'S SINGLES
Semifinals
Steffi Graf, West Germany, def. Martina Navratilova, U.S., 6-3, 6-4.

WOMEN'S DOUBLES
Semifinals
Steffi Graf, West Germany, and Gabriela Sabatini, Argentina, def. Jenny Byrne, Australia, and Kathy Rinaldi, U.S., 6-1, 6-4.

